

rageous and intelligent deflation of our overexpanded credit and currency," the market price of wheat in Omaha was \$2.75 per bushel. In nine months by a rapid collapse it had fallen to \$1.40, and now it is about \$1. Corn was then selling in Omaha for \$1.85 per bushel. Now it sells for 75 cents, or less than one-half. When the attack on currency and credit was proclaimed by the Republican Party four years ago, cattle were selling in Omaha for \$15 a hundred pounds; now the price is about \$11. After years of Republican deflation of currency and credit, hogs now sell in Omaha for less than \$7 a hundred pounds, or just about half what they sold for four years ago.

This has all been done under pretense of reducing the cost of living, but we all know that but little change has occurred in the cost of living in four years.

Untold millions have been squeezed out of the West in the monstrous crash of prices of western products. Other millions have been exacted from the West in exorbitant prices for manufactured products artificially maintained by a tariff enacted at the dictation of the powerful combines of industry. Still other millions have been taken from the West by excessive freight rates.

These facts, for which the Republican Party is admittedly responsible, are the main cause of the hard times and depression which prevail over western food-producing States, notwithstanding bountiful crops.

IGNORE WORLD MARKET

These conditions have no doubt been aggravated by the delay in the rehabilitation of Europe. This delay has to a great extent reduced the foreign demand for our farm products. Instead of cooperating with European nations in reestablishing order, peace, and business conditions, we have stood aloof, arrogant in our boasted isolation. Our great merchant marine, built during the war, has been allowed to rust and rot in our harbors, and our surplus products have accumulated in the channels of commerce and been sold at prices not equal even to the cost of production.

Meanwhile millions of the people in Europe, particularly those in Germany, have suffered keenly for lack of our products and been compelled to see their children stunted and starving for lack of our food.

So much for the disastrous experience which the West has had with Republican policies for three years. If other parts of the country have fared better it has been only temporarily. The voracious West is the great consumer of American manufactures and the spoliation of the West has for the present destroyed its purchasing power. Already the tariff-favored factories and mills of the country are suffering a marked falling off in business. They are reducing production. They are discharging men. The day of reckoning is at hand. The railroads are feeling it. Car loadings have fallen off one-third as compared with a year ago. They are still falling off. Idle cars are multiplying. Commercial failures are increasing. Three years ago, when Harding became President, such failures averaged but little more than 100 per week. Now they run about 400 per week. A chill has come over the New York Stock Exchange, and the carefully nurtured boom of last fall has withered away. The great interests that financed the Republican Party and exacted the outrageous tariff are beginning to discover that one part of the country can not long prosper at the expense of another part. They are beginning to find out that the plundered consumer soon loses his capacity to buy.

A PARTY FAILURE

Everywhere we hear expressed the discontent and disappointment over Republican administration. The party has failed to establish prosperity. Failed to reduce the cost of living. Failed to assure a foreign market for our farm products. Failed to get back to normalcy. Failed even to govern honestly.

Revelations of shocking graft and corruption in high places and hurried attempts by Republican leaders to discredit and stop investigation have nauseated and enraged the country. No single individual is responsible alone for this condition. The Republican Party must answer for it as an organization.

We depend in America on party government, and it has been found the best form of government. It is better than individual government, which is autocracy, and it is better than group government, which is the great evil of European legislative bodies, and which is unstable. When it takes a coalition of several parties, with leaders of different groups in a cabinet, as we see in most European governments, we find uncertainty and frequent changes.

In America we have two great party organizations. The people intrust one or the other with power for a definite period and hold it responsible for results. The Republican Party has now had its chance. Placed in power by the election four years ago, it is now staggering through the last months of a discredited administration. It tried to turn our great Government-owned merchant marine over to the Shipping Trust and to vote Government subsidies in addition. It fastened on the country an outrageous tariff to enrich favored manufacturers at the expense of the people. It relieved highly prosperous business enterprises of taxes which should be paid on excessive profits. It used

its power to enrich favored interests or classes, and it put in office men who carried the theory one step further by enriching themselves or their friends by graft and corruption.

DEMAND OF A PEOPLE

The Republican Party has become a class party. Its whole party machinery is used to promote the interests of privileged classes who finance its campaigns. When it wins they expect to realize on their investment. They at once demand the privileges and rewards. They demand places in the Cabinet and elsewhere for the Falls, the Mellons, and the Daughertys. They demand their subsidies, their tax exemptions, and their high tariffs.

At such times the people turn to the other great party organization for relief and salvation—the party founded by Jefferson, strengthened by Jackson, developed by Bryan, and glorified by Wilson.

The Democratic Party has no favored classes and no privileged interests. Poor in purse, it is rich in principle. Above all else, it teaches and it champions equal opportunities for all, special privileges for none.

It is for that party that we are gathered to-day to organize the Nebraska campaign. We are called upon to do our part in placing this State in line to share in the glories of a great Democratic victory.

ALASKAN FISHERIES

Mr. JONES of Washington. Mr. President, just before 2 o'clock I said I hoped to be able to have considered this afternoon the Alaskan fisheries bill, but one or more Senators desired to discuss the measure or some matters connected with it probably for 15 or 20 minutes, and it is so late that I will not try to call the bill up to-night, but I hope to get it up just as soon as there is an opening.

RECESS

Mr. WADSWORTH. Mr. President, I assume that while the Senate was considering the several measures which have been acted upon during the last half hour the unfinished business was temporarily laid aside.

The PRESIDING OFFICER. It was.

Mr. WADSWORTH. With the understanding that it is again before the Senate, I move that the Senate now stand in recess until 11 o'clock to-morrow morning.

The motion was agreed to; and (at 6 o'clock and 15 minutes p. m.) the Senate took a recess until to-morrow, Wednesday, May 14, 1924, at 11 o'clock a. m.

HOUSE OF REPRESENTATIVES

TUESDAY, May 13, 1924

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O God, our strength in ages past and our hope for years to come, with one accord we offer Thee our humble gratitude. Give each of us the blessing of a calm and thankful heart. Sustain us by Thy truth, which is so fadeless and pure, and may we never leave our peace of mind and rest of soul to the mercy of events. May all our labors be characterized by strength, firmness, and confidence, and always with the deepest concern for our country and good will for all humanity. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

URGENT DEFICIENCY BILL

Mr. MADDEN, chairman of the Committee on Appropriations, by direction of that committee presented the bill (H. R. 9192) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1924, and for other purposes, which was referred to the Committee of the Whole House on the state of the Union.

CONTESTED ELECTION CASE, GORMAN AGAINST BUCKLEY

Mr. ELLIOTT, chairman of the Committee on Elections No. 3, presented a privileged report from that committee on the election case of Gorman against Buckley, which was referred to the House Calendar.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Welch, one of its clerks, announced that the Senate had passed bills and joint resolution of the following titles, in which the concurrence of the House of Representatives was requested:

S. 2159. An act authorizing annual appropriations for the maintenance of that portion of the Gallup-Durango highway across the Navajo Indian Reservation, and providing reimbursement therefor;

S. 1762. An act providing for the acquirement by the United States of privately owned lands within Taos County, N. Mex., known as the Santa Barbara grant, by exchanging therefor timber, or lands and timber, within the exterior boundaries of any national forest situated within the State of New Mexico;

S. J. Res. 107. Joint resolution declaring agriculture to be the basic industry of the country and for other purposes; and

S. 2848. An act to validate an agreement between the Secretary of War acting on behalf of the United States and the Washington Gas Light Co.

The message also announced that the Senate had passed without amendment bills of the following titles:

H. R. 2878. An act to authorize the sale of lands allotted to Indians under the Moses agreement of July 7, 1883;

H. R. 3684. An act for the enrollment and allotment of members of the Lac du Flambeau Band of Lake Superior Chippewas in the State of Wisconsin, and for other purposes;

H. R. 5799. An act conferring jurisdiction upon the Court of Claims to hear, examine, adjudicate, and enter judgment in any claims which the Seminole Indians may have against the United States, and for other purposes;

H. R. 1823. An act for the relief of the Long Island Railroad Co.;

H. R. 4161. An act authorizing the Commissioner of Indian Affairs to acquire necessary rights of way across private lands, by purchase or condemnation proceedings, needed in constructing a spillway and drainage ditch to lower and maintain the level of Lake Andes, in South Dakota; and

H. J. Res. 248. Joint resolution to provide for the remission of further payments of the annual installments of the Chinese indemnity.

The message also announced that the Senate had passed with amendments the bill (H. R. 7962) to extend for the period of two years the provisions of Title II of the food control and the District of Columbia rents act, approved October 22, 1919, in which the concurrence of the House of Representatives was requested.

The message also announced that the Senate had insisted upon its amendments to the bill (H. R. 8350) making appropriations for the Departments of State and Justice, and for the judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1925, and for other purposes, disagreed to by the House of Representatives, had agreed to the conference asked by the House on the disagreeing votes of the two Houses thereon, and had appointed Mr. JONES of Washington, Mr. CURTIS, Mr. LODGE, Mr. OVERMAN, and Mr. HARRIS as the conferees on the part of the Senate.

SENATE BILLS AND JOINT RESOLUTIONS REFERRED

Under clause 2, Rule XXIV, Senate bills and joint resolutions of the following titles were taken from the Speaker's table and referred to their appropriate committees as indicated below:

S. J. Res. 107. Joint resolution declaring agriculture to be the basic industry of the country, and for other purposes; to the Committee on Interstate and Foreign Commerce.

S. 1762. An act providing for the acquirement by the United States of privately owned lands within Taos County, N. Mex., known as the Santa Barbara grant, by exchanging therefor timber, or lands and timber, within the exterior boundaries of any national forest situated within the State of New Mexico; to the Committee on Public Lands.

S. 2159. An act authorizing annual appropriations for the maintenance of that portion of Gallup-Durango Highway across the Navajo Indian Reservation and providing reimbursement therefor; to the Committee on Indian Affairs.

S. 2848. An act to validate an agreement between the Secretary of War, acting on behalf of the United States, and the Washington Gas Light Co.; to the Committee on Public Buildings and Grounds.

WHAT HAPPENED TO THE FARMERS OF IOWA

Mr. KOPP. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record on "What happened to the farmers of Iowa."

The SPEAKER. The gentleman from Iowa asks unanimous consent to extend his remarks in the Record on the subject indicated. Is there objection?

There was no objection.

Mr. KOPP. Mr. Speaker and gentlemen of the House, as you know, Iowa, which I in part represent, is an agricultural State. In this respect it stands out preeminently. Within its four boundaries is the most wonderful body of farm land in all the world. Its black prairies are unsurpassed in richness by the valley of the Nile. Its rolling sections produce blue grass not excelled even by the famous blue-grass region of

Kentucky. There is not a foot of waste land in the entire State. Many of the States, indeed, have a far greater area, but in agriculture Iowa stands first among them all.

It was my good fortune to be born on a farm. In fact, it was my privilege to be born in a log house; and, looking back, I know of no place where I would rather have been born. Land has always appealed to me, and what little I have been able to save has practically all been invested in farm land. Therefore I know the trials and struggles of the Iowa farmers. Their problems are my problems. Their misfortunes are my misfortunes.

In my time many changes have occurred on Iowa farms. I have seen improved machinery take its place. Well do I recall the old reaper, which simply dropped the grain. I saw that superseded by the self-rake, and then I saw the self-rake superseded by the self-binder. I saw the lumber wagon give way as a passenger vehicle to the spring wagon, the spring wagon to the buggy and the carriage, and the buggy and the carriage to the automobile. I have also seen changes in the financial condition of the farmers. Well do I recall the hard times that existed from 1893 to 1897. During those years the prices of farm products were so low that farmers could not sustain their families. Those were the days when in certain sections corn was often burned for fuel. Fortunately, in 1897 times began to improve. Gradually the farmers recovered from the distress which they suffered from 1893 to 1897. For years they made a steady advance. At no time, indeed, did they gain riches, for that was impossible; but they toiled and saved, and by industry, thrift, and economy they gradually acquired modest estates. While thus progressing they built better homes, established better schools, and in many ways added to the comfort, health, and happiness of their families.

During the period to which I have just alluded the farmers of Iowa were contented. Values were settled. Prices were stable. We could look forward with certainty and confidence. We knew that at the end of the year we would have a fair return for our labors. Under the conditions that then existed we had a square deal and could work out our own salvation.

The farmers of Iowa gained a proud position in the financial world. They were regarded as the best possible risks. It was a common saying that there was no better or safer security than a mortgage upon Iowa land. That was true. In those days the farmers of Iowa promptly paid principal and interest when due. Foreclosures of Iowa farm mortgages were then practically unknown. The farmers of Iowa then scarcely knew that there was such a thing as a court in bankruptcy.

How different it is to-day! Foreclosures of farm mortgages are taking place everywhere. Many farmers have been compelled to take refuge in the bankruptcy court. Practically our only real estate agents now are the county sheriffs and the trustees in bankruptcy. Thousands of farmers have thrown up their hands and, to avoid legal proceedings and complications, have willingly turned everything over to their creditors. Their equities are an entire loss. Their savings have been completely wiped out. Their efforts have all come to naught. Many families that a few years ago were in comfortable circumstances are to-day homeless and helpless. Such a change has far-reaching effects. It means that children will be deprived of many opportunities and advantages. It means that parents may not have a serene and contented old age. I personally know many of the people who have been victims of the distress that has swept over Iowa. Their misfortunes touch me deeply. I sympathize with every one of them.

What brought about this change in recent years? What happened to the farmers of Iowa?

The big interests that had much to do with bringing these calamities upon the farmers of Iowa, in order to hide their own guilt, have loudly proclaimed that the farmers themselves brought on these calamities. I deny this oft-repeated assertion of Wall Street. The farmers of Iowa did not cause their own misfortunes. For Wall Street to put the blame upon the farmers themselves is to add insult to injury.

There are no better people anywhere than the people of Iowa. They are warm-hearted and generous. They are whole souled. They love their fellow men. They live just beyond the great Mississippi—"out where the West begins." Well, indeed, did the poet describe the people of Iowa when he said:

Out where the handclasp's a little stronger,
Out where the smile dwells a little longer,
That's where the West begins.
Out where the sun is a little brighter,
Where the snows that fall are a trifle whiter,
Where the bonds of home are a wee bit tighter,
That's where the West begins.

The people of Iowa are intelligent—none more so in all the States of the Union. Iowa has the lowest per cent of illiteracy of all the States. This we regard as our greatest and best achievement. The people on our farms are not behind the people of our cities in intelligence. Go to our farm homes and you will find there the best books and the best magazines. You will find there men and women of culture and refinement. I know that the East has always claimed a superior intelligence, but I also know that I am right when I say that, on the average, the farmers of Iowa read more and think more than the residents of any of the great cities of the East.

Let me briefly trace the misfortunes of the Iowa farmers. Their deplorable condition is due to inflation and deflation. Both are moral and economic crimes. Neither was brought on by the farmers. Let the blame rest where it belongs.

First, as to inflation: As soon as war was declared big business organized for plunder. It proceeded to Washington, and, in some strange and unaccountable way, induced the Government to let it have war contracts on a cost-plus basis. In these contracts the Government agreed to reimburse the contractors for all cost of labor and material, and, in addition, to pay the contractors as their profit a per cent of the cost. Thus, the more the cost the more the profit to the contractors. It was, therefore, to the interest of the contractors to make everything cost the Government the greatest possible amount. Prices mounted higher and higher. This was inevitable. False values were established in order that contractors might make enormous profits at the expense of the Government. Instead of paying the lowest possible price, the Government paid the highest possible price. Instead of following sound economic law, the Government put itself at the mercy of the big interests.

No wonder that the war cost such a vast sum. No wonder that 23,000 new millionaires were created during the war. If the business of the country were conducted upon such a basis now, in less than six months the country would blow up. In order to make such profiteering impossible in the future it has been strongly urged that in the next war money as well as men should be conscripted. I am in hearty accord with this movement, but I fear that if we succeed in passing such a law now it will be repealed as soon as we get into another war. You may depend upon it that as soon as another war begins big business will again organize for plunder. The big profiteers will pose as superpatriots, and while waving the flag will declare that the repeal of the law is necessary "in order to win the war." If another war comes, the big interests will make every effort to rob the American Government and the American people, just as they robbed them in the last war.

The cost-plus contracts were only one way in which the Government inflated the country during the war. There were many others.

What was the result of inflation? All values were unsettled. All adjustments that had been worked out by time among the different interests and industries were undone. No one knew what anything was really worth, and nearly everyone was trying to get fictitious prices for whatever he had to sell. Everywhere, on the streets, in the offices, in the stores, and in the banks, in fact, wherever men congregated it was stated that we had reached a new price level, and it was quite generally believed that this new price level would be permanent.

Notwithstanding the general belief that the new price level had come to stay, the farmers of Iowa were cautious. From the time the World War commenced until the armistice was signed Iowa land scarcely advanced 10 per cent. The farmers of Iowa instinctively felt that as soon as the armistice was signed deflation would begin. Hence there was but little activity in real estate during the war. Had deflation been begun by the Government through the Federal reserve bank at the time the armistice was signed Iowa would not have been overtaken by such an awful catastrophe. The Government, however, kept up its inflation policy. The Federal Reserve Board encouraged it. But the farmers of Iowa still hesitated to believe that the new price level would be permanent. This hesitation continued for six months after the armistice. Finally, seeing that the Government itself was still keeping up inflation, and also seeing that the Federal reserve bank was still concurring in that policy, the farmers finally concluded that the new price level had come to stay. Then, very naturally, land began to advance toward the new price level.

The boom followed and lasted until about July, 1920, a little over a year. Land doubled in price, the best corn land going from \$225 an acre to \$450 an acre. That boom was the worst thing that ever happened to Iowa. Let it be clearly remembered, however, that the boom was not brought on by the

farmers. They were the victims of it, and not the cause of it. Farmers can not create a boom in real estate. Booms result from conditions over which the farmers have no control. In this case the boom was the direct result of the inflation policy of the Government, which no doubt found its inspiration in the war profiteers of Wall Street. If farmers could start a boom in farm land, they certainly would start one now. The boom lasted as long as the Government continued its inflation policy. When in the summer of 1920, the administration, through the Federal Reserve Board, deflated Iowa farmers, the land boom broke, and left behind a trail of ruin and disaster.

The first crime was inflation, which is never excusable in a Government that is solvent and has unimpaired credit, and which is just as certain to bring its penalties as is the violation of a law of nature. The second crime was the sudden, arbitrary, and brutal deflation of the Iowa farmers in the summer of 1920 by the Federal Reserve Board. I am fully aware that the Federal Reserve Board denies that it committed such a crime. Such a denial need occasion no surprise. Many a defendant in our courts has pleaded not guilty, and yet has been promptly convicted by a jury after a fair and impartial trial. Whatever the Federal Reserve Board may say or claim about it, the fact remains that it struck the farmers of Iowa a fatal blow. For the board to deny it and to assume that it can make us believe such a denial is no compliment to our intelligence. The farmers of Iowa can not be deceived even by the able and skilled defenders of the Federal Reserve Board. The farmers of Iowa know who struck the blow.

I would not abolish the Federal Reserve Board. It serves some good and useful purposes. In order to function, such a board must necessarily have large powers and wide discretion. When the Federal Reserve Board was established, it was taken for granted that such powers and discretion would be exercised wisely and justly. Unfortunately, that was not the case when the board deflated the farmers in 1920. The board at that time followed the wishes and directions of Wall Street. It was a cold-blooded and heartless transaction. It was secretly arranged. The big interests of the country knew what was coming, but the farmers were led, like sheep, to the slaughter. It may, indeed, be true that the members of the board thought that they were doing the right thing. It is characteristic of men who have been associated with, and have served the money powers to think in terms of money. Such men often have perverted views of life. But, even if the members of the board thought it was right to ruin the farmers, that did not make it so. In fact, it was a monstrous crime.

The local banks were in no way to blame for the deflation. Many of them protested vigorously against the policy of the Federal Reserve Board, but they were helpless. They had no power and could not do anything. As a matter of fact, the Iowa banks themselves became victims of the deflation policy of the Federal Reserve Board. When the farmers lost, the banks lost also. Many banks in the agricultural sections were closed. Many others had their surplus greatly impaired. For many it will take years to get back where they were before deflation set in. I know whereof I speak when I say that the Iowa bankers stood by the farmers nobly and heroically. Credit to whom credit is due. There may have been some exceptions, but exceptions only prove the rule. In the misfortunes that swept over Iowa the bankers had their full share of grief. Their troubled days were many, and their sleepless nights were not few. The Iowa bankers as a class are entitled to the highest praise.

But, it may be asked, Of what use is it to criticize the Federal Reserve Board after the damage has been done and after it can not be undone? In answer to such a question, I say that public criticism may prevent a recurrence of such a crime in the future. When men know that they will be called before the bar of public opinion, they sometimes hesitate to do an unconscionable thing. Let us not submit without a protest. Besides, the history of that critical time should not be forgotten.

We have been told again and again that only speculators in farm land were hurt. If this were true, it would not be a good defense of the Federal Reserve Board, for even speculators in land are entitled to fair treatment. But speculators were not the only ones that were hurt. By no means. They constituted but a small fraction of the injured parties. Many men and women, who had struggled and toiled for years, invested their savings in a farm, which they hoped to make a permanent home, and lost everything. It is a sad, sad story. My heart goes out to every one of these people. The big interests that deceived them by wrongful and unjust policies now ridicule these unfortunate people because they permitted themselves to be deceived. Was there ever greater outrage?

After these years of hardship, what is the condition of the Iowa farmer to-day? Everything is upon a new price level except the products of the farm. The farmers are compelled to buy on a high-price level and are compelled to sell on a low-price level. Under these conditions the farmers do not have a fair chance. They are handicapped in the race to begin with. No wonder many of them have left the farm. No wonder that more are constantly leaving.

Permit me to revert for just a moment to the claim that the farmers should have known that a new price level would not be maintained for farm products. Are they to blame for being mistaken as to this when, in fact, a new price level has been maintained for all other products? How could they know that farm products would be an exception?

Naturally, people wonder why the unfortunate condition of our farmers has not been remedied by legislation. I wish it were possible to correct and cure all evils by legislation. Unfortunately, such is not the case. Many things when once done can not be undone. If a man has his hand cut off, no surgeon, however skilled, can put it back on. From some diseases a recovery is impossible, even if the most eminent physicians are in attendance. Many efforts were made to aid farmers by legislation in the last Congress. Farm organizations were invited, and even urged, to suggest remedies, and every bill that had their approval was passed. I was glad to vote for all of these measures. Undoubtedly some benefit resulted from this legislation.

Legislation during the last Congress improved the credit facilities of the farmers, and now, in Iowa at least, there is no complaint on that score. The fact is, and this fact we should recognize, that men are often given too much credit. This is fully as disastrous as too little credit. When a bank makes too large a loan to a man it injures the man quite as much as it does itself. It is not uncommon for people to criticize banks for not making them larger loans. In most cases they should thank the banks for restricting their credit. Borrowed money must be repaid, and the larger the loan, in proportion to the assets, the more difficult to make repayment. To-day in Iowa the farmers are not suffering for lack of credit. The local banks are willingly and adequately taking care of their needs. Immediately following deflation, money could not be secured upon any terms. That condition, fortunately, has entirely disappeared.

The problem that remains is how to raise the level of prices for farm products to the general level of prices. This is a hard problem, and thus far has baffled solution.

We have been told by those whose interests are adverse to ours that we should not try to raise prices by arbitrary means; that, in fact, it would be wrong to do so; and that we should be content to submit to the law of supply and demand. If the law of supply and demand were really functioning throughout the whole economic world, I would be willing to take our chances with the rest, but the law of supply and demand has been largely suspended. In nearly all lines, aside from agriculture, it is to-day practically inoperative. Prices outside of the agricultural industry are very largely fixed by agreement and not by the law of supply and demand. The farmers, therefore, while submitting to the law of supply and demand, are at a very serious disadvantage.

It has been proposed that the farmers, when prices are too low, shall reduce the output and thus, following the methods of manufacturers, force up the prices. This is more easily said than done. This proposal sounds very well, but the difficulties in the way make it impossible of execution. Manufacturers are very limited in number, while the farmers number many millions. The greater the number the harder it is to act together. Besides, a manufacturer can shut down his factory and practically stop his expense, but the farmer can not close down his farm. He must keep on farming or the farm will go to rack and ruin. It has also been proposed that the farmers shall all unite and, by universal agreement among themselves, fix the price of farm products, regardless of the supply on hand. This also is impossible. Not enough farmers will join such an organization to make it a success. Possibly at some time in the future the farm organizations may be so complete, comprehensive, and effective that they can reduce the output or fix the price of farm products, regardless of the supply, by their own power, but they are not able to do that at this time. Other plans equally difficult have been proposed without avail. What, then, can be done?

There are certain forces in operation that in time will probably put prices of farm products on a parity with other prices. If we produced less than the demand in our own country, prices undoubtedly would go up. The national surplus, which must be

exported and which must be sold in the markets of the world, depresses our domestic prices. Eventually there will be no surplus of farm products in this country. That will be brought about by the increase in population. We are increasing now at the rate of more than a million a year. There may be some increase in our production, but the increase in production will not keep pace with the increase in population. In the course of time, therefore, our population will consume all of our farm products. However, if we rely upon the increase in population to dispose of the surplus it will take considerable time—perhaps 10 years or more—for the farmers to come fully into their own again.

The farmers do not want to wait years for relief. They need it now. Immediate relief, however, can not be given unless some method is found for disposing of our surplus without depressing our domestic prices. Therefore we are confronted with this important question: Can we devise some way in which we can dispose of our surplus farm products abroad in a low market and at the same time create and maintain substantially higher prices on our farm products at home? That question has been engrossing the attention of Congress during this session. For months that question has been paramount in the mind of every friend of the farmer.

All of the big interests of the country deny that this can be done. However, practically all of them are doing that very thing in their own lines of business. They sell their surplus at a low price in Europe but maintain a high price for their products in America. When they say that a farmer can not do the same thing, the wish is father to the thought. They want farm products to remain cheap in America.

The big interests, nevertheless, claim to have a deep concern in us and are offering us much advice. The other day Julius H. Barnes, president of the United States Chamber of Commerce, suggested that the way—or, at least, one of the ways—to make the farmers prosperous was to reduce the taxes on the rich. According to men like Barnes we shall have a new earth and, perhaps, even a new heaven when the rich get their taxes reduced. Men of the Barnes type are always complaining about the taxes of the rich, but have never a word about the taxes of the poor. Judging him by the advice he has given us, I think Mr. Barnes has about as much sympathy for the farmers as an iceberg has for a wrecked ship. Mr. Barnes's attitude recalls a recent article in the Wall Street Journal, which, with evident satisfaction, compared the farmers to oxen pulling a heavy load up hill.

Different methods have been suggested for bringing about the desired result. These suggestions have been embodied in various bills, which are now pending in the House and Senate. The best known of these is the McNary-Haugen bill. It received this name because it was introduced in the Senate by Senator McNARY, of Oregon, and in the House by Congressman HAUGEN, of Iowa. Congressman HAUGEN is the dean of the Iowa delegation. He is now serving his thirteenth consecutive term in Congress and is chairman of the great Committee on Agriculture. All know that he is one of the most useful, capable, and conscientious men in Congress.

By way of opposition it has been stated that any bill that may be passed for the purpose of marketing our surplus farm products in the foreign market in the manner indicated above will be in the nature of an experiment. This I readily admit, but I do not admit that this is a valid argument against such a bill. Experiments have meant much to the world. Most of our advancement and progress has been due to experiments. I am not afraid of a new thing simply because it is new.

I also readily admit that all legislation, whether along old lines or along new lines, should be sound. That is not only important but vital. The farmers do not want an unsound remedy. They know that such a remedy instead of making the situation better would only make it worse. The wrong medicine will not restore a sick man to health. It will only aggravate his condition; and the sicker the man the more danger in administering the wrong medicine. You may be assured that the farmers do not want to take a false step. They well know that they themselves would be the worst sufferers from such a course.

Perhaps no bill can be drawn that will give full relief to the farmers. Perhaps the prevailing conditions can not be wholly cured by legislation. I concede that no one can speak with absolute certainty on this subject. But, notwithstanding the doubts that may exist, let us make an effort. Let us do our best to lift the farmers out of the slough of despond in which they now find themselves. Let us not betray our trust. Under existing conditions indifference and inaction would be a crime.

It is not my purpose at this time to make an argument for or against any particular bill. What I now want to emphasize is the need of speedy action. I want to urge that at the earliest possible date an opportunity be given to consider farm relief in the House. The time is getting short. It has been proposed that Congress shall adjourn within a few weeks. We can not leave here until we have done justice to the farmers of the country. I also want to urge a spirit of unity among the friends of the farmers. We must not defeat ourselves by unnecessary division. For one, I stand ready to vote for any and all bills that in any sane way promise relief to the farmers.

The Representatives of the people in Congress, who are charged with legislation, must bear in mind that agriculture is the basic industry of the world. It preceded all other industries and it will survive to the end of time. Many of the representatives of the cities do not seem to understand this. Let me warn the cities that they can not be permanently prosperous unless the farmers become prosperous also. In the long run, we must either all go up together or all go down together.

Wall Street has indulged in much criticism of the farmers of Iowa during the past few years. It has denounced them as radicals and Bolsheviks. Again and again it has called them socialists. In behalf of my people I resent these foul and baseless slanders. Why, if our institutions ever become endangered, which God forbid, the farmers of Iowa will be found among the last defenders of the Constitution. Talk about socialists! Why, you can not find a socialist on the farms of Iowa. The farmers of my State have thus been maligned and vilified simply because they have resented and have protested against the injustice that has been done them. The gamblers of Wall Street, who find so much fault with the farmers of Iowa, should come out and meet them face to face. It would be a great education for these Wall Street gamblers to get acquainted with the farmers of Iowa. It would do them good. It would give them a better outlook on life. There are no millionaires among our farmers. The people who live on the farms are honest and God-fearing men and women. Their prayer is that they be given neither riches nor poverty. There are no social castes among the farmers. No one looks down upon his neighbors. No one thinks himself too important to give cordial recognition to all with whom he comes in contact. On the farms the people recognize that, though a man be poor and unfortunate, he is nevertheless, in the language of Robert Burns, "a man for a' that." I want to pay tribute to the women on the farms. They lead useful and busy lives. They find their joy in service—service in the home, service in the church, service in the community. They do not, like so many of the rich women of the large cities, waste their health and strength in chasing after selfish and foolish pleasures.

In the large cities you constantly speak of your criminal class. Such a class is wholly unknown on the farms of Iowa. No police officers are needed there. In many townships in my district not a single crime, not even a misdemeanor, has been committed for many years. Nowhere in all the world can you find better people, better communities, better institutions, and less crime than on the farms of Iowa.

Before concluding, let me speak a word of hope. A better day will surely come for the farmers of Iowa. Such land and such people can not permanently be held down. Our recovery may be hastened or retarded, but it will come as certainly as day follows night.

Iowa is not envious of any other State. Her good will goes out to all. In her youth one of her distinguished sons uttered these noble words, "Iowa, the affections of her people, like the rivers of her borders, flow to an inseparable union." In abbreviated form this sentiment was inscribed on the Iowa stone in the Washington Monument at the National Capital. We love all the States, but naturally and properly, like dutiful and grateful children, we love Iowa the best. The State song of Iowa, written by Major Byers, who was one of the boys in blue and who marched with Sherman to the sea, well expresses the universal feeling of our people:

You ask what land I love the best—
Iowa, 'tis Iowa,
The fairest State of all the West,
Iowa, O Iowa!
From yonder Mississippi's stream
To where Missouri's waters gleam,
O fair it is as poet's dream,
Iowa, in Iowa.

THE BALL RENT ACT

Mr. LAMPERT. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 7962, the Ball Rent Act, disagree to the Senate amendments, and ask for a conference.

The SPEAKER. The gentleman from Wisconsin asks unanimous consent to take from the Speaker's table the Ball Rent Act, disagree to the Senate amendments, and ask for a conference. Is there objection?

Mr. BLANTON. I object.

EXTENSION OF REMARKS

Mr. LINDSAY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting a speech I made in Brooklyn.

The SPEAKER. The gentleman from New York asks unanimous consent to extend his remarks in the RECORD. Is there objection?

Mr. LONGWORTH. What is it?

Mr. LINDSAY. It is a speech that I made in Brooklyn.

Mr. LONGWORTH. I have no objection.

The SPEAKER. Is there objection?

There was no objection.

FREEDOM OF CONSCIENCE

Mr. LINDSAY. Mr. Speaker and gentlemen of the House, no words of mine can sufficiently emphasize the seriousness of the principle concerning which I am about to speak. I ask the indulgence of the House for the time allotted me on this subject. My poor ability at best is unequal to my theme, therefore I hope I shall not be asked to yield during my brief discourse. Thoughts of freedom of conscience have occupied the minds of all great men in proportion, it would seem, to their service in behalf of their fellow men and all posterity. So it is not surprising that the principle of religious freedom has been affirmed in varying expressions by such typical Americans as George Washington, Thomas Jefferson, Benjamin Franklin, Abraham Lincoln, and Woodrow Wilson. I am choosing these illustrious names at random. Were a complete list of all such expressions attempted, I believe it would include every patriot on the immortal roster of this great country.

In those stirring days of the American revolution the Jews gave their loyalty and cast their fortunes with the struggling young Republic. Witness the address of George Washington to the Hebrew congregation of Newport in 1790.

I shall not read it in its entirety, but I commend it to your future study. In part, the glorious Washington wrote:

All possess alike, liberty of conscience and immunities of citizenship. . . . For happily the Government of the United States, which gives to bigotry no sanction, to persecution no assistance, requires only that they who live under its protection, shall demean themselves as good citizens in giving it on all occasions their effectual support. May the children of the stock of Abraham who dwell in this land, continue to merit and enjoy the good will of the other inhabitants, while everyone shall sit in safety under his own vine and fig tree and there shall be none to make him afraid.

The same principle is voiced on many other occasions. In the course of discussing the Declaration of Independence, hear great Washington say again:

Every man who conducts himself as a good citizen is accountable alone to God for his religious faith, and should be protected in worshipping God according to the dictates of his conscience.

I ask your accord, gentlemen, with the words and spirit of George Washington. Compare his utterance with the propaganda of the hooded horde which seeks to set up standards of intolerance and religious discrimination contrary to the belief of the noblest character in our history, and profanes the sacred name of patriotism with religious persecution.

Thomas Jefferson, that incomparable and versatile genius to whom I turn for guidance in matters political, on April 21, 1803, sent to his friend Dr. Benjamin Rush certain manuscripts on which he had been at work for his private pleasure and conviction. These had for their purpose a comparison of the doctrines of Jesus with the moral precepts of the ancient philosophers.

I only wish to refer at this time to the personal letter of Thomas Jefferson which accompanied the manuscript.

In confiding this to you—

Writes Jefferson—

I know it will not be exposed to the malignant perversions of those who make every word from me a text for new misrepresentations and calumnies. I am, moreover, averse to the communica-

tion of my religious tenets to the public; because it would countenance the presumption of those who have endeavored to draw them before that tribunal, and to seduce public opinion to erect itself into that inquest over the rights of conscience, which the laws have so justly prescribed. It behooves every man who values liberty of conscience for himself to resist invasions of it in the case of others, or their case may, by change of circumstances, become his.

What wisdom, my colleagues, is contained in that last sentence! I feel it will bear repetition in italics:

It behooves every man who values liberty of conscience for himself to resist invasions of it in the case of others, or their case may, by change of circumstances, become his.

These words of Jefferson are as inspired as any he ever penned or spoke. How the glow of truth remains undimmed by time! Age can not mar, nor time efface, sincerity; and truth is eternal, a safe guide in any situation wherewith men or nations may be confronted. In matters of principle, that which is true is forever true.

Remember, gentlemen of the House, my previous quotation is from that patriot who wrote the Declaration of Independence; he who as President of our infant Republic added the great western empire included in the Louisiana Purchase. This is the early father who succeeded the illustrious Franklin as minister to France—Jefferson—whose contribution to civilization and the growth of the United States is immeasurable, the builder of Monticello, the founder of a great university, the colleague of those whose very life and soul entered into the erection of this, our Government. This is the man who succeeded Patrick Henry in the Virginia Legislature, and took up his predecessor's glorious cry, "Give me liberty, or give me death!"

Forgive me, gentlemen, if I recall old glories. I do so not without reason, for of all Jefferson's accomplishments, one stands out as epochal in the history of the world. And it was this that brought a spontaneous glow to his great human heart. While serving as minister to France in 1785 he was brought word that the Virginia Legislature had adopted the "act for religious freedom" which he had introduced while serving as a member of that body. This was the first statute of religious freedom that had ever adorned the world. Jefferson was greatly pleased with the passage of this act. Copies were printed in French and Italian and distributed throughout Europe. These were received with rapture by the French liberals, especially Lafayette, and acclaimed, as Jefferson says:

Not at the courts, but by the people everywhere.

May I offer for your consideration the Americanism, the patriotism, the wisdom and understanding of Thomas Jefferson? I bow my head in humble admission of my inconsequence when I realize that I am to-day addressing the great Congress of the United States on a subject which merited the consideration of such a man.

Gentlemen, there is abroad in our land to-day an organized movement to deprive our fellow men of liberty of conscience in religion. Were I gifted with great eloquence, and though I possessed the divine fire of oratory, still would I approach this subject with reluctance. I consider it my duty to speak that the right to individual freedom of conscience shall not perish so long as this Government continues to function. I never thought the day would come when it would be necessary for a Member of the Congress of the United States to arise in defense of religious freedom for any inhabitant of this country. The right to such freedom is called inalienable in the Declaration of Independence itself. It is reaffirmed in the amendments included in the Bill of Rights. And now, 138 years after the passage of Virginia's act for religious freedom, there is a spirit of religious intolerance and bigotry being developed by deliberate methods to an evil end.

Men who are in some instances unscrupulous, in others thoughtless or ignorant, are spreading the hideous propaganda and injecting religious issues in Government affairs. And yet, so malevolent is their purpose, so fraught with danger are the consequences of linking religion and government, that I cannot even say—

Forgive them, for they know not what they do.

Indeed, a group of men who can countenance physical assault by a mob upon any individual, men who dare presume to invade by act or word the sacred precincts of a man's private conscience, men who invite the maelstrom of hate and suspicion which surely will attend a continuance of the methods of the Ku-Klux Klan, know not only what they do but why they do it.

Emboldened by being tolerated, this organization admittedly seeks to gain control of this Government. Indeed, mere adher-

ence to the prescribed religious creed is not enough—membership in the klan is the standard by which a candidate's fitness for office is determined. Already I have been branded the tool of some mighty, secret, sinister, religious power. Gentlemen, my religious beliefs are as little the concern of the public as are my preferences in diet. I have never consciously violated a single right of the lowliest of my fellow men. That, I take it, is the measure by which a man is best judged. I am proud of my country, my State, and my constituency, and in my list of friends I count hosts of men and women of every religious belief, and some with none, I dare say. Perhaps these, too, will find favor on judgment day. Catholic, Protestant, and Jew you will find numbered among the dead in Flanders. In the great State of New York, an empire in itself, you will find examples of patriotism equal to any. That State contains 10,000,000 people, of every kind and shade of religious belief.

I can not avoid the conclusion that some wise Providence placed at our hands an argument for every righteous plea. I am thinking of Lord Baltimore and his Catholic colony in Maryland, the Puritan elders in New England, far from Catholic, yet not tolerant of Roger Williams, who must settle in Rhode Island. Then the Quakers in Pennsylvania, and all those elsewhere who endured the stormy seas and winter in a strange land rather than compromise on matters of conscience.

Let there be a romantic misconception that the klan is the descendent of the old klan of the South, may I remind you that Thomas Dixon, author of the "Klansman," which invested reconstruction days with an air of romance, has entirely abjured the Ku-Klux Klan of to-day. Again, on this subject, my colleagues of the South, when you pause to admire in reverence the noble group in stone that will adorn the face of Stone Mountain as an eternal monument to the old South's regard for those who gave their all that freedom of conscience be theirs in civil matters, perhaps you will in fancy see the spirit of Father Ryan, a Catholic priest of Georgia, and Theodore O'Hara, of Kentucky, hovering over your beloved leaders. For these were your own poets laureate in the secession days, and every line they wrote breathes love of country.

How dare anyone raise a religious issue in this country! When did the recent consciousness of religious difference begin? For years I have been intimately associated with men whose creed is still unknown to me, so little does it matter. I have sat at table with some whose ways in such things were not mine. I have clasped hands with others whose path was along different ways, perhaps, but I dare say we all are bound for the same place, though we go by different roads. Never has a difference of religious practice made any difference in our associations. How can any man be so absurd as to surrender his intelligence to such ridiculous ideas as are advocated by the klan? Let us free our country from such undignified mummery. I am sure the Constitution and the Declaration of Independence are a better guarantee of happiness than the tar pot and feather pillow. Life, liberty, and the pursuit of happiness are more precious than klans, kleeagles, and kloncillums.

It is hard to resist the impulse to laugh at the spectacle of grown men in nightshirts and nightcaps, but these men are dangerous. Loss of the sense of humor is characteristic of loss of mental balance. And these hordes of misguided men, at the order of a few self-constituted authorities, are a menace. Out of their mouths, when they accuse others of plots and treason, their perfidy is revealed, for "as a man thinketh in his heart so is he." They attribute to others the very desire that secretly possesses their own hearts. Not so much is their danger in direct action, but the spread of the intolerance idea is dangerous. Where men before were unconscious of religious differences and mingled in good fellowship there will be a barrier raised, on trifles, it is true, but hatred will replace the congeniality of citizenship we long have known. The most bitter wars of long ago were religious wars; the saddest conflicts of history have been internal civil wars. We must not fail to stamp out the smallest spark that might advance a great destroying fire.

This Nation was born out of our rebellion against the political tyranny of a king. Shall it be said that in our land we tolerate the religious tyranny of a klan?

Mr. Speaker and my colleagues, I have tried to show the great importance of the situation that is being brought about—a most unwarranted, unjustified, and un-American conspiracy by large numbers, whose organized strength is said to be far-reaching. I consider it my duty to ask your consideration of these things and to invite your assistance in destroying this menace. The klan would like you to believe that the ancient fraternity of Masons is in sympathy and identified with its activities. But this is not so. It has been officially repudiated and was personally denied by so eminent a Mason as

the distinguished Senator from Alabama. Likewise the Elks officially disapprove of the klan.

In New York City a series of instructive and inspiring lectures were held under the arrangement of the Masonic order. With a high Masonic official occupying the chair, a prominent Catholic priest, a distinguished Protestant clergyman, and a learned Hebrew rabbi were invited to speak each alternate week. This is an inspiring example of the brotherhood of man and a practical illustration of the freedom of conscience guaranteed our people. In national convention the American Legion refused indorsement of the klan program. I refer to these facts because in at least one publication devoted to klan matters an attempt is made to create the impression that these fraternities are in cooperation with the klan, and there is absolutely no justification in fact for such an impression.

Let you be inclined to belittle the seriousness of these conditions, let me remind you that already many municipal and State offices have been obtained by men who were avowed candidates of the klan in certain sections of this country. A governor was elected and later removed, and it is said a certain Senator holds his seat by dispensation of the sovereigns of this invisible empire. I hope it may not be for want of proper consideration that serious consequences will outgrow the activities of a secret, ambitious, and lawless organization. And because it is the Ku-Klux Klan this time, the Know-Nothings last time, and the Know-It-Alls next time I have drawn a bill, "the anti-intolerance act," which is now in committee. I have been most careful in drawing this bill, so that it shall apply only to cases where the circumstances are such as I have spoken on. No individual, no secret fraternity, and no publication is prevented from conducting its affairs as it may choose so long as it does not violate our Constitution and our Bill of Rights.

The Government of the United States is still strong enough to guarantee the rights and to enforce respect for those rights of every citizen. Remember that Washington in his letter to the Jews of Newport not only expressed his strong desire that every citizen should enjoy religious liberty according to his individual conscience, but he added the important phrase, "and should be protected in worshipping God according to the dictates of his conscience." I am asking you, my colleagues, to give ear to the words of Washington—"should be protected"—and as it is the function of government to protect, I am sure you will support this anti-intolerance bill at the proper time.

What I have said here will be soon forgotten; but listen to Him who said:

Heaven and earth shall pass away, but my words shall not pass away.

And now, klansmen everywhere, hear this in reverence and awe. Bow your heads and stay your hands, for the Man of Mercy has said:

Love ye one another, for that is all the law and the prophets.

And though His hand holds no slaver's whip nor torturer's fire, yet must His Word prevail.

Love ye one another and dwell in peace—

so saith the Law of God and the law of the United States.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Craven, its Chief Clerk, announcing that the Senate had insisted upon its amendments to the bill (H. R. 3715) to reduce and equalize taxation, to provide revenue, and for other purposes, disagreed to by the House of Representatives, had agreed to the conference asked by the House on the disagreeing votes of the two Houses thereon, and had appointed Mr. SMOOT, Mr. McLEAN, Mr. CURTIS, Mr. SIMMONS, and Mr. JONES of New Mexico as the conferees on the part of the Senate.

PURCHASE OF THE CAPE COD CANAL

Mr. SNELL. Mr. Speaker, I call up a privileged report from the Committee on Rules, House Resolution 278.

The Clerk read as follows:

House Resolution 278

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 3933, for the purchase of the Cape Cod Canal property, and for other purposes. That after general debate, which shall be confined to the bill and shall continue not to exceed three hours, to be equally divided and controlled by those favoring and opposing the bill, the bill shall be read for amendment under the five-minute rule. At the conclusion of the reading of the bill for amendment the committee shall arise and report

the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and the amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. SNELL. Mr. Speaker, this resolution provides for the consideration of the bill H. R. 3933, which is to approve a contract entered into by the Secretary of War with the Boston, Cape Cod & New York Canal Co. for the purchase of the Cape Cod Canal in accordance with a previous act of Congress. This resolution, if adopted, provides for three hours general debate, and after that the bill to be considered under the general rules of the House.

In discussing this canal-purchase proposition I am not going into an extended argument in regard to the advantages from a humanitarian standpoint, from the standpoint of the great commerce along the coast, nor discuss its importance as a connecting link in the intercoastal water system, nor shall I speak of it from the standpoint of national defense. But I am going to talk for a few moments to show you the exact law and what the real status of this contract for the purchase of the canal is at the present time, and show that the Secretary of War in presenting this contract to the House for its consideration at this time is following the exact direction and instruction of Congress itself. The Secretary of War is doing exactly what Congress told him to do.

In the first place, in the naval bill passed in 1916, the Secretary of the Navy was authorized to get information in regard to this canal, but the first definite act as far as Congress is concerned was on August 8, 1917, when the river and harbor bill became law. It carries this provision:

It directed the Secretaries of War, Navy, and Commerce to investigate the Cape Cod Canal with a view of its acquisition by the Government as a toll-free canal, and authorized the Secretary of War to negotiate for the purchase of the property at a satisfactory price and enter into a contract for the purchase, subject to the ratification and appropriation by Congress.

It provided further that if he could not do that, then, through the Department of Justice, to institute and carry to completion proceedings for condemnation.

That was the first definite start toward the purchase of the canal. The Federal Government made the start and definitely directed the Secretaries of War, Commerce, and Navy to perform certain specific acts in regard to this canal. It is the completion of this act that we have before us at the present time.

Mr. McKEOWN. Will the gentleman yield?

Mr. SNELL. Not just yet; I want to follow this down through to the present time and then I will be glad to yield. The United States Army engineers made a definite report that the canal was worth \$10,000,000 on July 3, 1918, and on July 25, 1918, by special proclamation by President Wilson, the canal was taken over by the Government.

Mr. FREAR. Mr. Speaker, it occurs to me this is an important question and deserves a better audience, and I suggest the absence of a quorum.

The SPEAKER. The gentleman from Wisconsin makes the point of order that there is no quorum present. It is clear there is no quorum present.

Mr. SNELL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

Anderson	Griffin	Montague	Sears, Nebr.
Bacharach	Harrison	Moore, Ohio	Seger
Bankhead	Howard, Okla.	Moore, Ind.	Simmons
Boies	Huddleston	Morin	Snyder
Burdick	Hull, Tenn.	Morris	Steagall
Byrnes, S. C.	Hull, Morton D.	Mudd	Strong, Pa.
Canfield	Hull, William E.	Murphy	Sweet
Clark, Fla.	Johnson, Ky.	O'Brien	Taber
Cole, Ohio	Kahn	O'Connell, N. Y.	Tague
Collins	Kelly	O'Sullivan	Taylor, Colo.
Connolly, Pa.	Kiess	Park, Ga.	Upshaw
Corning	Kincheloe	Peavey	Vare
Croll	Kurtz	Perkins	Vinson, Ky.
Curry	Kvale	Rainey	Ward, N. Y.
Doyle	Langley	Ransley	Ward, N. C.
Drane	Larson, Minn.	Reed, W. Va.	Wason
Eagan	Leatherwood	Robinson, Iowa	Welsh
Edmonds	Lehlbach	Rogers, N. H.	Williams, Tex.
Funk	Linthicum	Rosenbloom	Wilson, Miss.
Garrett, Tex.	McKenzie	Rouse	Winter
Gerau	McNulty	Sanders, N. Y.	Wood
Gibson	Magee, Pa.	Schafer	Zihman
Gilbert	Manlove	Scott	
Goldsbrough	Miller, Ill.	Sears, Fla.	

The SPEAKER. Three hundred and thirty-nine Members have answered to their names; a quorum is present.

Mr. SNELL. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

The SPEAKER. The Doorkeeper will open the doors.

TAXATION OF LUMBER COMPANIES

Mr. SCHALL. Mr. Speaker, I ask unanimous consent to extend in the RECORD a statement in reference to my Resolution 301.

The SPEAKER. The gentleman from Minnesota ask unanimous consent to extend in the RECORD his remarks relative to his Resolution 301. Is there objection? [After a pause.] The Chair hears none.

Mr. SCHALL. Mr. Speaker, there was published in some of the Minnesota daily papers on May 9 a statement made by E. W. Backus, president of the Backus-Brooks Co., International Lumber Co., Minnesota & Ontario Power Co., and various allied companies, in which he commented upon H. Res. 301, offered by me on May 7, and the statement made by me at that time.

One of my reasons for bringing to the attention of the House the matter of the enormous underpayment of taxes by the Backus-Brooks companies running back as far as 1917 was the fact that by understating their income in their returns as filed they had saved, and the Government had lost, a vast amount of interest—for instance, interest for six and five years respectively on the amounts which have already been found to have been underpaid for 1917 and 1918. The amount of this interest alone at 6 per cent would be nearly \$500,000, to say nothing of interest on the still larger amounts which I understand may be found to be still due for years subsequent to 1918.

Mr. Backus in his statement says:

Another thing. He [Mr. SCHALL] suggests that by this delay our companies have been able to save upward of \$1,000,000 in interest. Anyone having the slightest knowledge of the Federal tax laws knows that this is absurd. Whenever it is found that a taxpayer owes additional taxes for earlier years, no matter how small the amount, he is obliged to pay interest from the time that the tax should originally have been paid.

This assertion by Mr. Backus may accomplish its evident purpose and fool some of the people of his State, but to anyone conversant with the revenue laws and presumably to every Member of Congress a statement such as this, made with complete and reckless disregard of the facts, will sufficiently characterize the accuracy and purpose of Mr. Backus's whole statement.

His only purpose is apparently to discredit my resolution and my purpose and motives in offering it. To accomplish this Mr. Backus has been willing to make any statement, no matter how rash or absurd.

The fact is that there has never been up to the present time any provision in any United States revenue law requiring the payment of interest on deficiencies in the payment of income or profits taxes. Every taxpayer—and there are many of them—who has been required upon examination of his returns to pay additional assessments for "deficiency" over and above his original return knows that no interest has ever been added.

The revenue acts of 1917 and 1918 provided for a penalty of 5 per cent and 1 per cent a month for refusal to pay a tax after the same became due and after notice of and demand for the same, but this does not apply in the case of additional assessments until the latter are actually made and notice thereof given to the taxpayer. In the act of 1917 there was provided a penalty for a false or fraudulent return—100 per cent of the amount of the deficiency in addition to a specific penalty.

In the 1918 act it was provided that in case there was a deficiency—

if the return is made in good faith and the understatement of the amount in the return is not due to any fault of the taxpayer, there shall be no penalty because of any such understatement.

It was also provided that if the understatement was due to negligence on the part of the taxpayer but without intent to defraud, there should be added as a part of the tax 5 per cent of the total amount of the deficiency plus interest at the rate of 1 per cent per month on the amount of the deficiency. This provision, however, has in actual administration been practically a dead letter, as it has been almost impossible for the Internal Revenue Bureau to charge lack of good faith and negligence in cases where there has not been actual and positive fraud. The act of 1918 also provided a penalty for a false or

fraudulent return with intent to evade the tax, this penalty being 50 per cent of the amount of the deficiency in addition to a specific penalty.

It is not true, and never has been true, that (as stated by Mr. Backus)—

whenever it is found that a taxpayer owes additional taxes for earlier years * * * he is obliged to pay interest from the time the tax should have originally been paid.

Just the contrary is true, and no one with the slightest inclination toward accuracy of statement could ever have stated otherwise.

This failure to provide for or permit the commissioner to add interest to amounts found to have been underpaid has been a feature of all previous laws of which unscrupulous taxpayers have taken the greatest advantage, which has resulted in the loss of enormous amounts to the Government. It is a defect which would for the first time be remedied if the revenue bill—H. R. 6715—now pending before the Senate becomes a law. That bill as passed by the House provided (sec. 274, subdivision (f)) that—

interest upon the amount determined as a deficiency * * * shall be assessed at the same time as the deficiency, shall be paid on notice and demand from the collector, and shall be collected as a part of the tax at the rate of 6 per cent per annum from the date prescribed for the payment of the tax.

No such provision, or any provision bringing about the same results, can be found in any previous revenue act.

Assessment for a deficiency exceeding \$1,300,000 has already been made against the Backus companies. This assessment has been made, as I am informed, after at least three years of almost continuous investigation by the department and numerous hearings and conferences with the taxpayer. Mr. Backus knew when he made his statement that no interest had been charged or added by the department, and that if he had paid the assessment (as he has refused to do) he would have paid only what should have been paid in the years 1918 and 1919, without one cent of interest added.

I recognize that the department makes many claims and assessments for additional amounts due, and that in many, if not most, of these cases there is a legitimate difference of opinion between the taxpayer and the department.

Mr. Backus's whole statement is cunningly and deliberately framed to give the impression that he is but one among the many taxpayers having "honest disputes" with the Internal Revenue Bureau; but one of many who are honestly trying to cooperate with the bureau to expedite the ascertainment of the correct tax liability for the earlier years. That there is any honest or legitimate dispute with respect to substantially all of the amount of the additional assessments already made, I emphatically deny. The fact that after years of investigation and after affording these companies every opportunity to be heard these enormous additional assessments have been made for 1917 and 1918 is at least very good prima facie evidence that something was radically wrong in the original returns.

I charge and believe that an investigation will show:

1. That the amount of the tax liability disclosed on the original returns and paid at that time was but a pitiful fraction of the entire amount now found to be due.
2. That no fair and legitimate attempt was made to disclose the true income in the original returns.
3. That the differences between the original returns and the corrected returns are in many instances so gross and startling that no honest or legitimate attempt could be or has been made to justify the original returns.
4. That—to specify but one of these instances—the depletion charge claimed for timber cut by these companies was at least twice the amount that could be justified by any evidence or process of reasoning; and that the difference was so great as to preclude the claim that there was an honest difference of judgment.
5. That the Backus companies have not cooperated with the Internal Revenue Department in any way to facilitate or expedite the ascertainment of the true tax liability; on the contrary, by delay and refusal to furnish information and the furnishing of untrue and misleading information, they have placed every obstacle in the way of a correct and speedy determination.
6. That further investigation of physical property and conditions (upon which Mr. Backus lays great stress in his statement) now being made by the department does not in the slightest degree involve or affect the tax liability for the earlier years—1917 and 1918.

7. That by the character of the original returns, by absurd, unfounded, and dilatory claims, by his refusal to pay additional taxes when assessed, resulting in the unusual necessity to file the liens already filed to collect these amounts, Mr. Backus and his companies have defied, treated with contempt, and evaded the revenue laws of the United States.

If these things are true, the Congress, the people of Mr. Backus's State, and all taxpayers, small and great, are entitled to know them, and the investigation provided for in my resolution is the only way in which to bring them to light. Such investigation will serve also, perhaps, to emphasize the defects in the present law, if it is true that under the present law Mr. Backus and his companies are absolved from paying even interest on the deficiencies. It may also serve to explain the reason, if any, why none of the penalties above referred to have been assessed against these companies for 1917 and 1918.

CAPE COD CANAL

Mr. SNELL. Mr. Speaker, I will continue to give some of the facts in regard to the canal project. On July 23, 1918, the Board of Army Engineers on Rivers and Harbors reported favorably the purchase of the canal at \$10,000,000. On July 25, two days after this special report from the Board of Engineers, by special proclamation of President Wilson the canal was taken over by the Government and placed by him under the jurisdiction and control of the United States Railroad Administration. On November 19, 1918—that is, after the armistice was signed—President Wilson wrote another letter to the Secretary of the Navy, and I wish the gentlemen of the House would listen to the reading of this letter, as it has an important bearing on the whole question:

MY DEAR MR. SECRETARY: By an act of Congress of August 8, 1917, as you may remember, authorization was given for a committee composed of the Secretary of War, the Secretary of the Navy, and the Secretary of Commerce to investigate the advisability of the acquisition of the Cape Cod Canal by the Government. If they should decide in favor of its acquisition, the Secretary of War is authorized either to make contracts for its purchase or, in the event that a satisfactory contract can not be arranged, to institute condemnation proceedings through the Attorney General.

That is the direct order of President Wilson. He goes on further to say:

It seems to me from every point of view desirable that we should acquire the canal and maintain it as a genuine artery, and I would be very much obliged if the committee thus designated would get together at an early date and proceed with this business in any way that they may think best. I am writing to the same effect to the Secretary of the Navy and the Secretary of Commerce.

Mr. McKEOWN. Will the gentleman yield?

Mr. SNELL. Let me continue and then I will yield.

Mr. BLANTON. What is the date?

Mr. SNELL. November 19, 1918. On January 17, 1919, Secretary of War Baker offered \$8,250,000 for the canal property. Three days later the company declined this offer as being far below its actual cost and insufficient for them to pay their obligations on account of the construction of the canal. Then January 26, six days later, the Secretary of War advised the canal company that the Attorney General had been directed to institute proceedings of condemnation. There is a logical trend right straight down through to show that the Federal Government intended to take over this canal in accordance with the act of Congress that was passed on August 8, 1917. Court proceedings were taken, and resulted in the jury rendering a verdict assessing the value of the canal and its appurtenances at \$16,801,201.11, from which must be deducted \$170,000, awarded by the jury to the United States Railroad Administration during the period of Federal control. After the award was made then the Government began to back water, appealed the case, tried to turn the canal back to its owners, and so forth. Then we entered into a long period of negotiations, and nothing definite was done until June 29, 1921, when a contract was entered into between Secretary of War Weeks and the canal company for the purchase of the property by the Government, including 932 acres of land not covered in the original proceedings, at an agreed price of \$11,500,000, and by a provision in this contract that was made at that time, on July 29, 1921, when the people who owned the canal believed there was no doubt but what the Government would carry out its end of the contract, they agreed to run, operate, and maintain the canal for the Government until such time as the contract arrangements were completed. Now, a bill was introduced in Congress December 12, 1921, to carry

out the provisions of this contract. This bill was reported favorably by the Committee on Interstate and Foreign Commerce and a rule was granted for its consideration in the latter part of the last Congress, but in that legislative jam it did not come up for consideration. The Committee on Interstate and Foreign Commerce took this matter up again in the present Congress. They again made a favorable report, and the Rules Committee has granted a rule for its consideration at this time. Now, as I look at this whole proposition it is simply this: It is not a question of whether I want the canal or you want the canal; it is a question of whether the United States Government will carry out its contract that was made in good faith with the people who owned the Cape Cod Canal. That is the only question that is before us to-day. The Secretary of War has done exactly what he was instructed to do and nothing more, and during all of that time every administration—three separate administrations—have approved the purchase of this canal, and in all the hearings there was not a single man appearing before the committee opposing it. Now, the question is fairly up to this House whether at this time you will carry out a fair and square and legal contract or not. It seems to me there is only one thing to do, and that is to buy the canal.

Mr. McKEOWN. Mr. Speaker, will the gentleman yield?

Mr. SNELL. Yes.

Mr. McKEOWN. Has the gentleman any assurance that the Secretary of War has changed his attitude toward the toll business of the Government, like the Panama Railroad, so as to be in accord with operating this canal?

Mr. SNELL. I never asked him; I do not know, sir.

Mr. McKEOWN. Can the gentleman tell us whether they will operate this canal free of tolls?

Mr. SNELL. Yes. This is to be expressly a toll-free canal, the and Secretary of War is doing only what this Congress directed him to do, and nothing else.

Mr. LITTLE. Mr. Speaker, will the gentleman yield?

Mr. SNELL. Yes.

Mr. LITTLE. I want to say to the gentleman from Oklahoma [Mr. McKeown] that the Secretary of War has in fact testified that he thought the Cape Cod Canal should have been built by the Government in the first place. So that answers the gentleman's question.

Mr. McKEOWN. What is the difference between the price proposed to be paid in this bill and the amount that Secretary Baker said the property was worth?

Mr. SNELL. Secretary Baker made an offer of \$8,250,000, and the people owning it refused it, because it cost over \$13,000,000 to build.

Mr. WINSLOW. Mr. Speaker, will the gentleman yield there for a moment?

Mr. SNELL. I yield.

Mr. WINSLOW. In the river and harbor act of 1909, Sixtieth Congress, second session, in section 4 of the bill, it was provided that no tolls or operating charges whatever should be collected from any vessel passing through any lock, canalized river, or other work constructed for the use and benefit of navigation and belonging to the United States, or that might thereafter be acquired or constructed, with a proviso in the case of the Panama Canal, so that if we take this over under the existing statute it must be free of tolls.

Mr. SNELL. In a duly authorized court the people who own this canal were given a judgment of over \$16,000,000 for it.

Mr. BLANTON. To be absolutely fair—and I am sure the gentleman from New York wants to be—

Mr. SNELL. Yes; I want to be—

Mr. BLANTON. That was set aside by the courts on an appeal by the Government.

Mr. SNELL. It has been in the courts ever since.

Mr. BLANTON. But it was set aside by the appellate court, was it not?

Mr. SNELL. I do not think it was set aside by the appellate court; but there was a petition for a retrial, and that was granted.

Mr. BLANTON. It has never been retried. It is in statu quo.

Mr. WINSLOW. That is by agreement between the Government and the owners.

Mr. KINDRED. Mr. Speaker, will the gentleman yield?

Mr. SNELL. Yes.

Mr. KINDRED. Quite aside from the question of price, is it not a fact that this waterway is absolutely needed to perfect our system of intercoastal waterways in order to avoid loss of life and of property and for naval and navigation purposes?

Mr. SNELL. Yes; that is true. But I was trying merely to put just the actual facts as far as the contract is concerned before the House.

Mr. KINDRED. As a member of the Committee on Rivers and Harbors I have studied the question, and I consider it absolutely paramount for naval and navigation purposes.

Mr. SNELL. Yes. Mr. Speaker, I reserve the balance of my time. I yield 30 minutes to the gentleman from Wisconsin [Mr. NELSON].

The SPEAKER. The gentleman from Wisconsin is recognized for 30 minutes.

Mr. NELSON of Wisconsin. Mr. Speaker, I ask unanimous consent to extend my remarks, because I want to incorporate certain things.

The SPEAKER. The gentleman from Wisconsin asks unanimous consent to extend his remarks in the Record. Is there objection?

There was no objection.

Mr. FREAR. Mr. Speaker, I think my colleague is entitled to a full House, and I am not quite sure if he has that or not. I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from Wisconsin makes the point of order that there is no quorum present. The Chair will count. [After counting.] Two hundred and twenty-one Members are present. A quorum is present.

Mr. NELSON of Wisconsin. Mr. Speaker, the gentleman from New York [Mr. SNELL] has just given an outline of a few of the points in the history of this Cape Cod Canal project. The gentleman from Massachusetts [Mr. WINSLOW], having put the Cape Cod Canal bill through his committee, came before the Rules Committee to get a rule; needless to say, he got it promptly. As the gentleman from New York said, last year the gentleman from Massachusetts performed the same feat. But during the closing days of the session his bill failed of consideration. The distinguished minority leader [Mr. GARRETT of Tennessee] and the gentleman from Alabama [Mr. HUDDLESTON] advised me of what was taking place, and with others I was on guard, watching for this bill. I spoke to a member of the steering committee about it and was told that it had been sidetracked. He spoke as if he thought himself entitled to praise for this disposition of it. I agreed with him and congratulated him heartily.

Last week I opposed granting this rule. No rule, as I see it, should be reported unless there is reason to believe it is desired by a preponderance of votes in the House. Now, I venture to assert, and I hope the House will bear me out, that there is not only no sentiment for this bill but, on the contrary, the sentiment is adverse.

I can not believe, speaking frankly, that my conservative colleagues, Republican or Democrat, will support this huge unwarranted expenditure. How can they "save their face" and vote for it in view of presidential vetoes of soldier bills?

The distinguished chairman of the Appropriations Committee [Mr. MADDEN] has told me that he will fight this enormous expense with all his might. I give my conservative colleagues credit for too much political sagacity to vote for this measure at the risk of their political lives. Of course, no progressive of any party would think for a moment of voting for it and make so ugly a blot on a good record. I desire to use parliamentary language in characterizing legislation. This is difficult when I study this measure. This is special-interest legislation in full bloom.

Consider now the pitiful state of some Wall Street financiers. Who constitute the Cape Cod Canal Co.? Who are to be the beneficiaries of this bill? To whom are we to vote millions of relief? We find them on page 179 of the hearings. Here they are:

F. R. Appleton, 26 East Thirty-seventh Street, New York; August Belmont, 45 Cedar Street, New York; DeWitt C. Flanagan, 228 West Seventy-first Street, New York; C. C. Tegethoff, 39 Broadway, New York; L. F. Loree, 32 Nassau Street, New York; Eugene Klapp, 84 Pine Street, New York; F. de C. Sullivan, 61 Broadway, New York; F. D. Underwood, 50 Church Street, New York; H. P. Wilson, 50 Broad Street, New York; W. A. Harriman, 39 Broadway, New York.

They are all from New York. They are the big capitalists, the big financiers. The president, principal bondholder and stockholder is August Belmont.

The directory of directors in the city of New York shows the number of corporations with which these Cape Cod directors are connected. Belmont is an officer or director in the following 16 combinations of big business: Cape Cod Canal Co.; the Appraisals Corporation; Audit Co. of New York; Bank for Savings in New York; Degnon Realty & Terminal Improvement Co.; Interborough Consolidated Corporation,

chairman of board; Interborough Rapid Transit Co., chairman of board; Long Island Electric Railway Co.; Long Island Railroad Co.; Louisville & Nashville Railroad Co.; Matawok Land Co.; Metropolitan Opera & Real Estate Co.; New York and Long Island Traction Co.; New York and Queens County Railway Co.; Rapid Transit Subway Construction Co., chairman; Westchester Racing Association, president and director.

Mr. C. C. Tegethoff is an officer or director in the following 14 corporations: Secretary-treasurer and director of Sinnemahoning Iron & Coal Co.; Acme Engineering & Contracting Co.; Arden Water Co.; Bobwhite Chemical Corporation; Furnaceville Iron Co.; Golden Reward Consolidated Gold Mining & Milling Co.; Harriman National Bank; Cape Cod Canal Co.; Harriman Research Laboratory; One hundred and sixty-five East Sixtieth Street Corporation; Opazel Laboratories (Inc.); Phelps & Perry (Inc.); South American Steamship Corporation; Southern Pacific Railroad Co. of Mexico; Standard Safe Deposit Co. of New York; United States Express Co., secretary and director.

Mr. L. F. Loree is an officer or director of the following 26 corporations: President of the Delaware & Hudson Co.; Albany & Susquehanna Railroad Co.; Albright Coal Co.; American Surety Co.; Capitol Railway Co.; Chamber of Commerce of the State of New York; Cape Cod Canal Co.; Champlain Transportation Co.; Chateaugay & Lake Placid Railway Co.; Cohoes Railway Co.; Erie Railroad Co.; Hudson Coal Co.; Kansas City Southern Railway Co.; Lake George Steamship Co.; Mechanics & Metals National Bank; Mexican-American Steamship Co.; Mexican Central Railway Co. (Ltd.); National Railroad Co. of Mexico; National Railways of Mexico; New York, Ontario & Western Railway Co.; Northern Coal & Iron Co.; Seaboard Air Line Railway Co.; Southern Pacific Co.; Wells, Fargo & Co.; Wheeling & Lake Erie Railway Co.

Mr. Eugene Klapp, of the firm of Parsons, Klapp, Brinckerhoff & Douglass (Inc.), 84 Pine Street, represents also Cape Cod Canal Co., Parklap Construction Co.

Mr. F. de C. Sullivan represents the Adams Express Co.; American Sumatra Tobacco Co.; Curtis International Turbine Co.; Degnon Realty & Terminal Improvement Co.; Interborough Rapid Transit Co.; Cape Cod Canal Co.; National Surety Co.; New York Railways Co.; North Butte Mining Co.; Rapid Transit Subway Construction Co.; Subway Realty Co.; West Bay Naval Stores & Lumber Co.

Mr. F. D. Underwood, president and director Erie Railroad Co., is also in Buffalo Creek Railroad Co.; Chatham and Phoenix National Bank, of the city of New York; Cape Cod Canal Co.; First National Bank of Wauwatosa, Wis.; Lehigh & Hudson River Railway Co.; New York, Susquehanna & Western Railroad; Pennsylvania Coal Co.; Southern Pacific Co.; and Wells, Fargo & Co.

Mr. H. P. Wilson, of H. P. Wilson & Co., New York, represents California Electric Generating Co.; Cape Cod Canal Co.; Great Western Power Co.; Quenelda Graphite Corporation; Vernes Chemical Co.; and Western Power Corporation.

Mr. W. A. Harriman, chairman board of directors of American Ship & Commerce Corporation, sits on the board of the American Hawaiian Steamship Co.; American Railway Express Co.; Arden Farms Dairy Co.; Atlantic Fruit Co.; Atlantic Mail Corporation; Guaranty Trust Co., of New York; Harriman Industrial Corporation; Cape Cod Canal Co.; Illinois Central Railroad Co.; Merchant Shipbuilding Corporation; National Surety Co.; Railroad Securities Co.; Union Pacific Railroad Co.; United American Lines; Wells, Fargo & Co.; William Cramp & Sons Ship & Engine Building Co.; and Wright Aeronautical Corporation.

Mr. F. R. Appleton, director of National Park Bank, of New York.

Mr. DeWitt C. Flanagan is a director of Cape Cod Canal Co. He was the principal landowner.

Here we have Belmont connected with 16 big combinations; L. F. Loree, 23; Eugene Klapp, 4; Sullivan, 11; Underwood, 9; and Harriman, 18.

We are to vote relief of \$11,500,000 to these Wall Street speculators to help them out of a bad bargain. They want to unload on Uncle Sam. This is not a loan. This is not a gift. If it is worse than a loan and far worse than a gift. It would pay us to give them \$11,500,000 outright. The Congress would save more than twice the amount of the gift by so doing. We would save future burdens of upkeep, and future costs of repair and enlargement double and quadruple this amount to furnish these interests free toll.

No rule, in my opinion, should be given for the consideration of a bill unless there is some emergency to justify its being given priority over other meritorious measures.

But what is the emergency here? The only emergency that appeared before the committee was the gentleman from Massachusetts [Mr. WINSLOW], astute, ponderous, and resourceful. Oh, there is pressure here, gentlemen; there is strong pressure. What is it? Legislative pressure, to get it by before the jam of the short session; financial, to save current losses to these New York financiers; and political, Uncle Sam's money spent in this Cape Cod deal will affect votes in Massachusetts.

I am against a rule at any time and in every case for this kind of legislation. It is special interest in its worst form. I have seen some specimens of class legislation—ship subsidy and the like—but in my long term this is the worst, the sheerest, and the rankest special-interest legislation I can recall.

Now, consider the subject: Unloading on Uncle Sam. Get the fact that these financiers are asking Congress for relief. Congress does not want their property. Who would be the best authority as to this fact? The Secretary of War. Why? Because he is the man to whom they have to go for a tentative contract. He has knowledge first-hand of the facts; facts of experience, facts of record, facts of observation. Now, what did the Secretary of War, Mr. Baker, say? Listen to his words:

These gentlemen built this canal; they thought it was going to be a great commercial success; they found it was more expensive to build than they had anticipated. They found very great difficulty in tempting people to use it. * * * And so they came to the conclusion that there was not enough liveliness to their hope of large commercial success to justify their continuing to carry the burden, and so they came to Congress. * * * They have been seeking to get the Government to take this burden off their shoulders, and they have said, "We were patriotic in doing this; we were trying to build a great highway for the commerce of the Nation, and we find that the burden is so great that private enterprise ought not to be asked to sustain the losses that are involved in carrying it to a profitable status." And therefore they said, "Being a public work, Congress ought to take this off our shoulders."

Here we have a clean-cut statement of the former Secretary of War of the process of unloading this burden on Uncle Sam.

Let us consider the extent of the present plight of a "busted bit of big business." The stock of the Cape Cod Canal Company is worse than worthless—busted. It has never paid dividends. We might give the money away, and we would be better off, as I shall show you, than if we give them the \$11,500,000.

On this point I quote from the hearings. Here is the testimony of Mr. H. P. Wilson, vice president of the Cape Cod Canal Co. and the great water-power magnate, before the committee:

The CHAIRMAN. If this trade which has been under discussion with the Government should be executed, would it not appear that after the canal company had paid its debts there would be nothing left for the stockholders.

Mr. WILSON. Yes, sir; there is not a dollar of value left in the stock. It is wiped out.

The CHAIRMAN. It is wiped out, and there is \$3,500,000 more of indebtedness?

Mr. WILSON. Yes, sir.

The CHAIRMAN. So that, if you got \$11,500,000 from the property, \$6,000,000 of it would go to redeem the bonds turned over to the Government?

Mr. WILSON. Yes, sir.

The CHAIRMAN. Which they would assume, and it would take a further sum of \$5,500,000 to pay the debts, or their equivalent?

Mr. WILSON. In so far as the \$5,500,000 would go.

The CHAIRMAN. There would be about \$3,000,000 more?

Mr. WILSON. Yes, sir; we owe to-day approximately \$8,500,000.

The CHAIRMAN. So that the value of the paper is all that you have left in the stock?

Mr. WILSON. Yes, sir. The construction company would be wiped out in the same way. I am dealing with the construction company because all of the financing was done by the construction company. The capital of the construction company went into the construction of the canal. This construction company reached a point where it could go no further ahead, and it had to go out and borrow money from private sources to finish the canal. The point I want to make clear is that at the present time, in addition to the \$6,000,000, which represents the first mortgage upon this property, the canal company and the construction company are in debt to the extent of \$8,500,000, against which this contract provides \$5,500,000.

The CHAIRMAN. Do you include in that \$8,500,000 the stock as an obligation?

Mr. WILSON. No, sir; we actually borrowed that amount of money, and the stock is not worth a dollar.

The CHAIRMAN. If you should make this trade and have \$5,500,000 left in cash, in order to liquidate at 100 cents on the dollar, you would have to pay out that amount and \$3,000,000 more?

Mr. WILSON. Yes, sir.

Let me give you a graphic picture. If we make them a gift of \$5,500,000—I say gift because no one would take this ditch off their hands but the Government—if we turned into these empty stocks money from the United States Treasury at the rate of \$1 per second for 63 days there would still be a deficit of unpaid bills of \$3,500,000.

That is the way this construction company worked. It looks like a wrecking company, it seems to me, more than anything else. Think of financiers getting into a hole like this. Belmont and the rest of them are in that, too. The testimony of Mr. Wilson is that Belmont holds \$150,000 or \$200,000 of bonds, and admitted that he held only \$50,000 worth.

The bonds resting upon such hollow foundations are, of course, unmarketable. Doubtless some of the other Wall Street magnates hold like blocks of bonds, but bonds are also held in small lots by citizens of Massachusetts. I quote from the hearings:

Mr. GRAHAM. Who sold the bonds?

Mr. WILSON. My recollection is that the construction company sold them. There is a small amount of these bonds that were not sold.

Mr. GRAHAM. Were they sold to small holders or did you sell them to men like Mr. Belmont individually?

Mr. WILSON. I should say offhand—I will give you those figures—that Mr. Belmont, perhaps, had \$150,000 or \$200,000 of bonds. I personally bought \$50,000 of the bonds, and I have personally bought \$25,000 of the stock of the construction company. I paid 97.5 for the bonds, and I paid cash for the construction company's stock at par.

Mr. GRAHAM. Did some broker in some place handle the bonds?

Mr. WILSON. No, sir; they were never sold through a broker.

Mr. GRAHAM. Were they sold locally in Massachusetts?

Mr. WILSON. In Massachusetts and in New York.

Mr. GRAHAM. People bought one or two bonds?

Mr. WILSON. Yes, sir; there are holdings of 1 or 2 bonds; 5 and 10 bonds.

Mr. GRAHAM. What denomination?

Mr. WILSON. One thousand dollar coupon bonds.

(Hearings, pp. 147, 148.)

It is in the testimony that bonds of the canal company amounting to \$2,875,000 are held by the construction company, because they can not market them.

Mr. LA GUARDIA. Will the gentleman yield right there?

Mr. NELSON of Wisconsin. No; pardon me, I would like to finish my statement first. If I start yielding to one I will have to yield to others.

Finally, to cap the climax of their plight, the income from tolls will not meet the interest on bonds and the upkeep of the canal company.

Oh, it is a beautiful proposition for Uncle Sam, is it not? Figure the interest: Six million dollars at 5 per cent would be \$300,000. Then, the upkeep is more than \$150,000 or \$200,000; and there is a deficit every year, and they want to get rid of that deficit quick. They want us to take it over. This is the proposition which is to be unloaded on Uncle Sam to-day—bold, brazen in its boldness.

Now we understand the emergency. They had to increase the toll recently, which will, of course, discourage the toll-paying trade. Should not Congress have pity on these disappointed Wall Street financiers? How can Congress unmoved behold them in this dreadful financial ditch? Surely, in a pitiful case like this, Government ownership is highly needed. That would not be socialism but patriotism.

Behold a friend to the rescue! Nothing like having a friend in need, especially in Congress. Oh, yes; these gentlemen had a friend in Congress over in the other Chamber. It was the Senator from Massachusetts, the Hon. John W. Weeks. He gets an amendment put on the rivers and harbors bill, a little \$5,000 innocent item, too insignificant to be objected to; but there is in it the language quoted by the chairman of the Rules Committee, artful language, permitting the War Department not only to investigate this project but to make contracts—tentative, truly; a contract subject to ratification by Congress.

Here is the place where we can stop this business—"subject to ratification by Congress and appropriation." On this week's rider they predicate the claim of moral obligation. Of course, there is no legal obligation. The gentleman from Massachusetts [Mr. WINSLOW] has the bill here, and we are to sign on the dotted line and help them out.

This little \$5,000 item went through and now it is "a moral obligation." There is the Government—i. e., Mr. Weeks—putting this little joker in, and so there is "a moral obligation" to help these gentlemen out and take over this bad bargain and loot the Treasury.

Talk about the "powers that prey," the "predatory interests" that Roosevelt spoke about. Here we find them busily engaged on the job.

Of course, during the war these gentlemen got in their most effective work. There was some war scare about a German submarine. They rushed to President Wilson, and he ordered the United States Railroad Administration to take over this water route, just as he ordered taking over the railroads. But we did not hear of any moral obligation on the Government to keep the railroads. We were told of our moral obligation to give them back. Why is not that also true as to this canal? Had it been profitable, would they not have stressed the moral obligation to give it back?

But pressure was brought to bear on the Secretary of War to make a contract, which he might do under the Weeks rider, a tentative contract. After employing accountants to find out exactly what had been put into this hole, Mr. Baker said he would not give more than \$8,250,000. He stuck to it under pressure.

A condemnation suit was begun up there. They did get an award by a local jury, as the gentleman has said, but the Court of Appeals looked it over—and I have read their decision—and they said, "This item should not have been in, and that item should not have been in"—Belmont, for instance, got \$50,000, and Henry Taft got another \$50,000 for attorney's fees.

Mr. BLANTON. Will the gentleman yield for a question?

Mr. NELSON of Wisconsin. I just declined to yield and hope the gentleman will excuse me, because I do not want to be discourteous by yielding for one interruption and not for another.

The jury awarded Belmont and his friends between fourteen and sixteen millions by including all kinds of collateral expenditures. The court of appeals reviewed this award and vacated it. There the job rests to-day. The canal company has tried its best to impose this burden on the Government and failed.

Behold an old friend to the rescue again, not in Congress now but in the Cabinet. The gentleman who got this nice little joker in the rivers and harbors bill now meets with Vice President Wilson, of the Cape Cod Canal Co., and at once gives him three and a quarter million dollars more than Baker said it was worth. Mr. Weeks signs the contract, and we are to ratify it to-day. Moral obligations, you see, all the way through; but if it was not a moral obligation that we should keep the railroads, what is the moral obligation to keep the canal? If that canal had been profitable, would they be now talking about a moral obligation? The moral obligation then would be to return it to these gentlemen so they could make more money.

Now, let us look at some of the camouflage, sugar-coating, that they give to this measure. In war it is patriotism; in peace it is national defense. Fortunately, however, Secretary of War Baker cut off any possibility for such pretense by printing in the hearings statements of the General Navy Board and of the Board of Rivers and Harbors Engineers. Listen to this authoritative statement as to the need of this ditch for national defense:

GENERAL NAVY BOARD

The expense of rendering the Cape Cod Canal available to all types of naval vessels not only requires a considerable expenditure for enlarging it but also additional continuing expense for the maintenance of such increased size, and an even greater expenditure for the defenses that should be given an important military waterway at a salient of our coast. Such large additional expenditures are not warranted by the apparent increased military advantages of having the canal available for the passage of ships requiring a depth of over 25 feet at mean low water.

The board has no doubt of the advantages of a sufficient depth and width to permit the passage of battleships. It adheres, however, to its previous expressions to the effect that military necessity is not sufficiently great to warrant the department in urging the expenditure of public funds to that end.

UNITED STATES BOARD OF ENGINEERS FOR RIVERS AND HARBORS

The Board of Engineers for Rivers and Harbors has no data upon which it can assign a definite value to the canal for these naval uses. As the canal is a going concern and now available for military and naval uses upon payment of reasonable tolls, there is no urgency for acquisition of the canal for these purposes unless it is deemed essential to enlarge it to accommodate capital ships of the Navy, which is ap-

parently not the case. The value of public ownership for any uses that can be made of the present canal would obviously be due to the saving of tolls on Government vessels.

Both of these boards of experts say that this military defense argument can not be sustained. The expenditure is too great. But if we take it over and add enormously to the expense, then the claim will be that we must erect fortifications to protect it, for these gentlemen are adepts at spending money.

Now, consider the cost to the Government of relieving these Wall Street financiers of their bad bargain. Obviously there is the first cost of \$11,500,000, right off the bat.

Then there is 5 per cent for bonds on \$6,000,000, which is \$300,000 per annum; then the upkeep of the canal, which under Government auspices would be from \$250,000 to \$500,000 a year more; and if we enlarge the canal nobody can calculate the amount under \$1,000,000 a year; and finally the cost of repairs on the enlargement, according to conservative estimates of their own witness, would be double this sum, and, in the opinion of a Member from this very district, it would cost at least \$50,000,000. In making this statement in the House Mr. Walsh was not prejudiced in favor of the Government against his own district.

Now, let us consider some more of the flimsy pretenses set forth to justify this enormous expense.

This project, they say, is necessary to save life. It is a perilous thing to pass around Cape Cod. Lives are lost. Such general statements as made one might think that heartbreaking tragedies were happening daily. What are the facts? In the hearings Mr. GRAHAM of Illinois made this inquiry of Colonel Burr, the engineer in charge:

Mr. GRAHAM of Illinois. Right along that line, Colonel, I was struck with the statements prepared, I think, by the Coast Guard officers and which are delineated on that map over there, and which show that in 10 years there have been 32 lives lost in that stretch of water around the cape, including the Block Island Sound and up that coast, as I understand it. Is that an extraordinary loss of life in a 10-year period for a similar extent of coast?

Colonel BURR. If it means the coast from Block Island around Cape Cod, I should say it was an exceptionally small average.

Mr. GRAHAM. That is what the statement showed. It shows 32 lives lost in that time.

Think of it, only three lives lost per year. Why, the Mississippi River or even one of the lakes of Madison is more perilous, and these lives may have been lost fishing. There is no proof that they were lost because of commerce. So much for the life-saving argument.

Now, consider the alleged destruction of property. But again the hearings do not give us any figures on the subject for obvious reasons. We find some captain saying that at a certain time there was a storm. I quote his language:

Capt. W. H. HALEY. I noticed on your chart a few circles representing Vineyard Haven. I laid in Boston in November, 1898, undergoing the annual steamboat inspection through a severe gale of wind, and came out of Boston after the gale and came down on Nantucket Shoals when all the lightships, with the exception of the Nantucket lightship, had gone adrift.

There were no guides in there. I went on Nantucket Shoals and up into Vineyard Haven where we ran across one of the vessels disabled. There were 38 or 39 vessels which had foundered and gone ashore in Vineyard Haven in that same gale. (Hearings, p. 38.)

Now this is all the evidence presented of loss of property. But there are other facts of record which are significant on this point:

If there is little loss of life, there is proportionate little loss of property. As the toll rate was only 6 cents per ton, if there were any danger of loss of property, the captains of ships and vessel owners could go through the canal rather than around the cape, which they do not do. The Government has constructed a very safe channel at great expense around the cape. Here is the clincher: The insurance rates, and trust me the insurance companies know, are the same, testifies Colonel Burr, whether the vessel goes through the canal or around the cape. These facts show how hollow is the claim that the Government should take over this ditch for any property-saving purpose.

Mr. Speaker, let us now consider another aspect of the special-interest nature of this legislation. I called your attention to the real beneficiaries, the financiers of Wall Street, who seek relief from a bad investment. These gentlemen are interested in coal mines, interested in steamboats, interested in carrying passengers and freight. The Metropolitan Steamship Co., says Mr. Weeks, paid one year \$150,000 in tolls. The Eastern Steamboat Co. paid in one year as much as \$193,000 in toll. Indeed, this company has ships passing through the

canal daily carrying passengers. The average cost for toll of a 3,000-ton steamer carrying passengers is about \$300 per trip. These financiers, many of them, have coal barges transporting coal up through the canal. With a toll-free canal they would be saved expense, but would the people get cheaper coal? Oh, no! Mr. Calvin Austin, the president of the Eastern Steamship Co., frankly confessed that the steamboat companies alone would get the benefit. I quote from the hearings:

The CHAIRMAN. Would that contribute to any appreciable extent to the cost of the coal in the New England region?

Mr. AUSTIN. The cost of coal in New England?

The CHAIRMAN. Or ought it to do so?

Mr. AUSTIN. The cost of coal in New England is largely on the freight, but I do not know how they work that.

Mr. HOCH. What sort of freight does your company handle?

Mr. AUSTIN. All general merchandise.

Mr. HOCH. Do you handle any coal?

Mr. AUSTIN. No, sir.

Mr. HOCH. Any cotton?

Mr. AUSTIN. Yes, sir.

Mr. HOCH. Where do you ship your cotton from usually?

Mr. AUSTIN. From New York. It is delivered to us by the Southern Line.

Mr. HOCH. Do you handle any cotton through this canal?

Mr. AUSTIN. We operate all of our ships now through the canal.

Mr. HOCH. Can you give us any figures or any ideas that would be understandable to a layman as to the percentage that the tolls probably add? For instance, take a cotton shipment from Savannah to Boston?

Mr. AUSTIN. The tolls are based on the tonnage of the ship. We pay over 10 cents per gross ton on the passenger ships running. They are about 7,000 gross tons and cost \$742 a night. On freight ships it is 6 cents, I think, and that would be about \$112 or \$115 more.

Mr. HOCH. Well, take a shipment of cotton; can you give us some idea as to what the present toll means with reference to a cotton shipment from Savannah to Boston?

Mr. AUSTIN. No; I could not do that.

Mr. HOCH. Could you give us any approximation or any idea about that?

Mr. AUSTIN. No; no more than you could. That is all figured in our cargo. We do not take one cargo of cotton, but we take everything that is to be shipped.

Mr. HOCH. Suppose the tolls were taken off; what would the significance of that be with reference to the price of the cotton, either to the man who sold the cotton or the man who bought it?

Mr. AUSTIN. The steamship company would be benefited.

Mr. HOCH. Would anybody else reap any benefit except the steamship company?

Mr. AUSTIN. I do not think so in that case. If we had free tolls, we would not have to pay \$193,000 as we did last year.

Mr. HOCH. Do you mean to say that the toll has nothing to do with the price that the buyer pays for the cotton that goes through the canal?

Mr. AUSTIN. I do not look at it in that way.

Mr. HOCH. Is there any other charge that is put upon that cotton that the buyer does not have something to do with? How does it happen that the toll has nothing to do with the price of the cotton?

Mr. AUSTIN. There is a rate established on that cotton from the shipping point to the point of destination, and if it was brought by the Clyde Line or the Mallory Line from Texas and turned over to us, the rates would be the same.

Mr. HOCH. In your view of it, then, the mills in Connecticut would pay as much for the cotton if they had free tolls as they do now?

Mr. AUSTIN. Yes; unless they reduced the freight rate.

(Hearings, pp. 45-46.)

Moreover, this Cape Cod Canal is a local affair. The larger vessels prefer to pass up farther into the ocean. This is not a national, but a State matter. Massachusetts has the option of taking over the canal. Bills have been before the Massachusetts Legislature, but Massachusetts is too wise to do this. It is so much easier to unload on Uncle Sam. He is to furnish free toll to these profiteers at an average expense of at least \$1,000,000 annually. The Wall Street interests can not afford to sink more millions into this enterprise, even with the payment of heavy tolls. But they would have the Government operate the canal free of toll.

So I say that in my long experience as a Member of the House this measure is the sheerest, rankest, and most wicked special-interest legislation that I can recall. Ship subsidy shines brightly side by side with this job.

The gentleman from Massachusetts [Mr. WINSLOW] puts it through his committee and gets the rule promptly. The Barkley bill can not get out, except we batter down the door. Section 15a can not be repealed to save farmers from excessive

freight rates. But the Cape Cod Canal deal gets through the Committee on Interstate and Foreign Commerce, gets a rule from the Rules Committee, and is backed by the power of Massachusetts in Congress and in the Cabinet.

But, Mr. Speaker, powerful as is Massachusetts, I would not like to see the President, a Massachusetts man, veto the Bursum pension bill and sign this Winslow bill. It seems to me he can not do it and succeed himself in the White House.

Gentlemen, let us line up, and if we are for this Cape Cod Canal deal then we certainly are devotees of big business and special interests. I believe that no progressive will mar his record by voting for such legislation. I have fought ship subsidy and many other special-interest bills, but this seems about as bold and bad as any in all my experience. [Applause.]

Mr. BERGER. Will my colleague and friend yield?

Mr. NELSON of Wisconsin. Yes.

Mr. BERGER. Will my colleague and friend explain one thing? The gentleman has studied the bill and I have not, and I think a great deal of his judgment. Is the canal necessary and is it useful to commerce and will it protect life and property as claimed by its promoters?

Mr. NELSON of Wisconsin. So far as it is necessary, it is serviceable now. With a rate of 6 cents a ton or 10 cents per passenger now, anybody who wants to can go through this canal. But these gentlemen when they find they can not get the Government to take it over, repair, and fix it up for them, with free toll, are still bondholders; they are still stockholders and will run it somehow. So far as necessity is concerned, therefore, I say no. I have shown you that the people will not get the benefit. The steamship companies, the coal companies carrying coal through there, want to get free tolls where they are now paying upward of \$200,000 apiece annually.

Mr. BERGER. One more question. The gentleman from Wisconsin is, of course, aware that the Panama Canal was originally constructed on a stock-jobbers' proposition, and there were a great many scandals. There was a Credit Mobilier—the de Lesseps Co.—and there were big scandals. Finally the United States Government took it over, and it is one of the great canals of the world and a blessing to commerce and a very necessary highway of the world. The gentleman knows how short it is. Is this a similar proposition on a small scale?

Mr. NELSON of Wisconsin. In one case you have to come through from the Atlantic to the Pacific. But this, well, according to their own testimony, a fast steamer will save four hours and a slow sailing vessel will save eight hours, but the captains now prefer to go outside—through the channel that we spent money on just outside. This is simply a ditch. Now, listen. If it had been a great necessity for the people they would have used it; but they would not pay the 6 cents a ton, and they prefer to go around, and that is why it is a failure.

It has developed more rock than was expected and more current, so they have got to get the rock out, and they have got to have locks put in in all probability, two types being proposed.

Mr. LAGUARDIA. Will the gentleman yield?

Mr. NELSON of Wisconsin. Yes.

Mr. LAGUARDIA. In response to the inquiry made by the gentleman from Wisconsin, is it not true that the opposition to this bill is not based upon the fact of whether this canal is necessary or not, but it is based upon the one fact that the owners have their remedy at law, and when they were defeated in the appellate court they abandoned that and come here to get what the court would not give them?

Mr. WINSLOW. No; that is absolutely unfair and wrong.

Mr. LAGUARDIA. The record will speak for itself.

Mr. WINSLOW. The gentleman can not bring on a line.

Mr. NELSON of Wisconsin. I think the gentleman will debate that question later. I yield to the gentleman from North Dakota.

Mr. BURTNESS. Assuming there was no canal there at the present time, and the proposition came up as to whether the Government for the purpose of encouraging transportation facilities there on the eastern coast, and for the purpose of providing a waterway saving considerable mileage of boats through there, and the proposition was of considering the advisability of building this, would the canal be meritorious or not?

Mr. NELSON of Wisconsin. Possibly that might be debatable, but here we have these financiers of Wall Street, whose names I have given. They have found this to be a failure, but they have it and they can use it. Why take the burden off their hands? [Applause.]

Having leave to revise and extend my remarks, I append to them this condensed résumé of my speech given to the press the day following its delivery. This I do at the request of Members and for future use.

President Roosevelt coined the terms "the predatory interests" and the "powers that prey." Yesterday these freebooters of finance had a field day in the House of Representatives.

They put through the Cape Cod Canal deal, a most striking example of the greedy grasp on legislation of corporate self-interest enriching itself at the expense of the Public Treasury, doing so with the bipartisan aid of "faithful" Representatives in Congress.

This Cape Cod Canal job is a significant illustration of the fact that Wall Street has, when it pleases to exert it, a bipartisan hold upon both Republican and Democratic regulars, and demonstrates the need of an independent progressive group in the Congress to protect the interests of the public.

DEAL IS SUMMARIZED

The Cape Cod Canal deal may be summed up briefly.

The well-known Wall Street financier, August Belmont, capitalist, politician, Democrat, with eight other colleagues high in the financial district of New York City, each of them an officer or director in from 7 to 26 different corporations, are directors of the Cape Cod Canal Co.

This business speculation was undertaken shortly before the World War started, but proved a financial failure. It cost more to construct than was expected.

Commerce would not make use of it under the toll charged. In short, it became a tragic bit of busted big business.

The stock of the company never paid dividends and is worse than worthless. The debt of the company not only wipes out the value of the stock but leaves a debt of over \$3,500,000.

The canal company's bonds are also unmarketable. Blocks of bonds are held by Belmont and his Wall Street associates, ranging in various sums, and some bonds were sold to Massachusetts and New York people.

CONSTRUCTION ORGANIZATION

The Canal Construction Co., made up of the same group of financiers, was created under the laws of Maine to construct the canal.

It looks more like a wrecking than a construction company, judged by the debts contracted, a fine sample of high finance. This agent of the company holds \$2,500,000 in bonds which are not marketable.

The annual toll income does not meet the interest on the bonds and the upkeep of the canal. Deficit follows deficit.

Facing this plight these representatives of big business planned to unload the ditch on Uncle Sam.

They are interested in steamships carrying various kinds of freight to Boston. Some steamship companies pay toll yearly above \$150,000 a year.

Free toll is given to these steamship companies by this Cape Cod Canal deal, an annual saving to some ranging as high as \$200,000 in toll fees. The people will not get a bit of the benefit.

Of course these steamship owners are right on the job, too, to push this deal through Congress under various masks—life-saving, protecting property, and furthering commerce.

FRIENDS IN ALL CAMPS

A feature of this deal is the way their friends in Congress and in the Cabinet smoothed the way to the public purse. Seven years ago John W. Weeks was their friend in the Senate.

He got a rider put on the rivers and harbors bill calling for an expenditure of only \$5,000, but which rider served as a joker to commit the Government to survey this ditch, to permit the Secretary of War to enter into tentative contract for its purchase, or to start condemnation proceedings subject to ratification by Congress. This Weeks rider has been worked hard by the Cape Cod Canal Co. to put this deal through.

Under the cover of the World War these gentlemen persuaded President Wilson to take over the canal for war purposes. They tried to get Secretary of War Baker to give them a contract.

After he had a firm of accountants looking into the actual money put into the canal he fixed the price in a tentative contract at \$8,250,000. The canal company refused. Condemnation proceedings began; the jury awarded a large sum.

The Government appealed, and the court of appeals reversed the award because excessive, and there the unloading stopped. Bear in mind that this rider made the contract subject to ratification by Congress.

Unfortunately for the country the successor of Newton Baker as Secretary of War is the same Senator John W. Weeks who got the rider put into the appropriation bill. He promptly agrees to give these gentlemen \$11,500,000 for the

ditch, a sum \$3,250,000 in excess of what Baker said was a fair price. Army Engineers in river and harbor work estimate the canal is worth not over \$2,500,000 for the purposes of commerce.

GIVEN RIGHT OF WAY

To get the consent of Congress, Mr. WINSLOW, of Massachusetts, chairman of the Committee on Interstate and Foreign Commerce, rushes through a bill in his committee and gets promptly a rule to give it a right of way over other legislation in Congress.

Last year, because of the jam, the Cape Code Canal deal was sidetracked, but promptly this year Mr. Winslow repeats the performance, gets the bill through his committee, and obtains a rule rushing the bill ahead of legislation desired by the American people.

The Howell-Barkley bill, for instance, had to be forced out of Mr. WINSLOW's committee by a discharge rule. It is desired by labor to safeguard industrial peace in the operation of railroads.

Farmers are clamoring for the repeal of so-called section 15a of the Esch-Cummins bill in order that freight rates may be reduced so that they can send their freight to market. But these bills were pigeonholed in this committee and now are being brought out by battering down the door of the Winslow committee with discharge rules.

Yesterday a vote was had which is significant. The Republican regulars were for the bill. Public ownership, socialism, Government in business—all of these slogans are forgotten, all talk of economy is lost sight of. The Republican chairman of the Appropriations Committee, Mr. MADDEN, warned them, as did the ranking Democrat, Mr. BYRNS, of increasing deficits, but this Cape Cod Canal is in the interest of big business. This is for the relief of these financial magnates of Wall Street, so they voted solidly for this raid upon the Treasury.

IMMENSE SUMS INVOLVED

The initial cost is \$11,500,000; the annual expense is about \$500,000 per year. To repair and enlarge it, according to Mr. WALSH, a Member from this very Cape Cod district, will cost \$50,000,000 at least.

The Wall Street interests can not afford to sink more millions into this enterprise, even with the payment of heavy tolls. But they would have the Government operate the canal free of toll.

Three Progressive Republicans exposed the deal. So did a like number of Progressive Democrats, but Democratic leaders kept quiet. We were warned that there would only be a straw opposition on the Democratic side, which happened.

The secret is Belmont, the big Tammany Democrat, one of the angels of the Democratic Party. In vain will the votes be scanned to find a Representative from New York City against this measure, other than the Progressive LA GUARDIA.

Even at that the bill could not have passed but for logrolling, a deal in pork. Muscle Shoals votes were gotten among the Democrats; also a number of pork-barrel river and harbor projects lined up Democrats, especially a \$16,000,000 Texas project now before the House. Progressives know that this last deal is another tragic waste of funds as far as commerce is concerned.

In short, the deal was put through by a narrow margin of 149 to 131. Not a Progressive Republican voted for the deal, and it was announced on the floor as a "steal."

So I say, here we have an illustration of the need of independent progressives in the House. Here we have an illustration of the "powers that prey," the bipartisan government of the predatory Wall Street interest with its control, when it wants to put over a deal, of the regulars of both the Republican and Democratic Parties.

Should this deal get through the Senate, which is unlikely, will President Coolidge sign it with the pen that vetoed the Bursum pension bill, for the sake of economy?

The story of the Cape Cod Canal deal will be told on many a stump this campaign.

The SPEAKER. The time of the gentleman has expired.

Mr. SNELL. Mr. Speaker, I yield five minutes to the gentleman from Indiana [Mr. Wood].

Mr. WOOD. Mr. Speaker and gentlemen of the House, this proposition has been before this body for some considerable time. In so far as its virtue is concerned, I am convinced it is meritorious. Had it not been so President Wilson would not have recommended it away back in 1918. It was also recommended by President Harding, and it is recommended now by President Coolidge. The question that was propounded by the gentleman from North Dakota to Mr. NELSON, I think, was a vital one,

and if properly answered would have been an answer as to what our attitude should be. Would we build this thing if we were entering upon a project of building a system of deep waterways? I am convinced that if the facts set forth in the report are true that we would answer in the affirmative. I am convinced that we are under a moral obligation, if not under a legal obligation, to carry out the contract entered into by the present Secretary of War.

All of the gentlemen who have made an investigation concerning the facts of this case have agreed that we should take over this property. The only difference has been with reference to the price, and I apprehend that that may be the only difference before this body to-day. As to whether the price is right or not I do not profess to know, but I will rely upon the judgment of those who have been charged with the responsibility of ascertaining what is a just price not only by President Wilson but by President Harding and President Coolidge. And there is another thing that appeals to me. It has been the dream of the century that some time in some way we will have not only intercoastal waterways but we will have throughout this country deep waterways to effect and facilitate transportation. To my mind one of the best things that can happen to solve the difficulties of the farmers of this country to-day is transportation. We have a dream in our country that one of these times we will have a deep waterway from the Lakes to the Gulf. I believe it is possible. The engineers tell us that it is possible. If that be so, one of the best guaranties of our desire and our intention to complete this system of waterways is to take over this thing which has been recommended not only by the Presidents, three of them in number, not only by the Secretary of War under two administrations, but by the engineers upon whom we must depend with reference to practicability, with reference to feasibility, and with reference to economical investment. So that to my mind this is the hour and this is the time when we should manifest our intention by taking over this project which has been so highly recommended, to enter upon a program of deep-waterway improvements.

Mr. SHERWOOD. I would like to ask the gentleman this question: Has General Beach recommended it?

Mr. WOOD. General Beach has recommended it, and every other engineer in the War Department has recommended it and advised its feasibility.

The SPEAKER. The time of the gentleman from Indiana has expired.

Mr. SNELL. Mr. Speaker, how much more time have I?

The SPEAKER. The gentleman has 10 minutes.

Mr. SNELL. I yield nine minutes to the gentleman from Massachusetts [Mr. WINSLOW].

The SPEAKER. The gentleman from Massachusetts is recognized for nine minutes.

Mr. WINSLOW. Mr. Speaker and gentlemen of the House, if I were to undertake in the 10 minutes which I have to reply seriatim and in kind, if I were willing to put in words a reply to the remarks of the gentleman from Wisconsin [Mr. NELSON] about this canal, I would not be able to begin it, to say nothing of completing it. I have heard from soap-box orators and others who depend upon their pipe dreams for facts, on many occasions, strange and interesting stories, but never from anybody undertaking to discuss a real business problem have I heard so many misstatements, misconceptions, and wrong conclusions as we have had poured out to us in dramatic style to-day.

Mr. NELSON of Wisconsin. I challenge you to point out a single fact that is mistaken.

Mr. WINSLOW. Give me a list of people in Massachusetts who own securities in this canal. Who are they? Let us hear who they are. You can take your own time later and do it. When you get through with that, we will have another question to propound.

I can not go into the details of this. There are two problems before this House. One is not to abuse the committee. The history of this project is clear and straightforward, and was begun long before the present incumbent was chairman of the committee or a member of the committee. I do not propose to allow any man to insinuate against the good faith and bona fides of a man like Secretary Weeks. He may have made mistakes; he may have committed the awful crime of being industrious and successful in this life; but no man has been found who is able on facts to go out and cast aspersions upon him by reason of wrongdoing on his part. [Applause.] Moreover, he has nothing to do with the case. He is not on trial, and his honesty is not at stake. Neither am I on trial, nor is my honesty at stake. But do not depend upon my say-so.

Depend upon the facts of the record and the testimony given under oath.

Here we have two problems to consider. The first one is, Shall we, after this opportunity given, have this Congress determine whether or not it will support the Government of the United States, which has acted under a mandate of Congress through its own legislation? A fair show is due to everybody involved, whether they are plutocrats of Wall Street or great brewers from Wisconsin; we do not care who they are. They are entitled to a fair show, and the outlook is that they will not get it under present conditions.

This bill was brought before our committee earlier in the session. We did not have hearings on it, and why? Because, with the exception of six members of the committee, all the others had been through it in hearings. But those six agreed that they would read the testimony of the hearings and have private converse with me for explanation, and abide thereby. We went through that program, and I have yet to hear any of those new Members complain that he did not have ample opportunity of learning all the facts. And in order that we might get to the Barkley bill and other bills, we passed through this Cape Cod bill quickly, and put it on the calendar, and then held it back until the appropriation bills and other important bills were well-nigh finished. Now give us a chance to bring this bill before the House. Do not say, "We do not care a hurrah for what the Sixty-fifth Congress did, or what President Wilson did, or what President Harding did or recommended with respect to the fulfillment of a contract. We do not care what Secretary Baker or Secretary Daniels or Secretary Redfield or the committee in the present Cabinet said about it. We are going to cut your throat."

The only man who ever cast any aspersion on the honesty of this purpose and who is in the House at this moment is the gentleman from Wisconsin [Mr. NELSON]. If any one of you can point out where he stated a well-grounded fact concerning this proposition you will point out a fact that I could not comprehend. The gentleman from Wisconsin may have spoken to the gallery, but I do not think Members of the House here, whatever their mental level may be, will say, "We will not give you a chance to tell your story." That is what we want. We will take our chances on the merits of the case. If a majority of this House says it is a bad bargain, we will not cry "baby." But in defense of the Government itself, and in defense of the good name of Congress itself, we of the committee charged with the business of bringing this bill out, not as ours but as a bill representing three administrations, want to have this thing settled and done with.

Mr. BLANTON. Mr. Speaker, will the gentleman yield for a question?

Mr. WINSLOW. I will yield.

Mr. BLANTON. After Secretary Baker submitted this matter to the Department of Justice and they entered condemnation proceedings, what authority had Secretary Weeks for making a contract? Did it not take it out of his hands?

Mr. WINSLOW. Not at all.

Mr. BLANTON. I would like to hear about that.

Mr. WINSLOW. I would like to report on that. It was mentioned here a moment ago.

Mr. BLANTON. I just want to know the legal features of it.

Mr. WINSLOW. I am not strong on the legal features of it. I am not trained that way. But I understand the English language, and I think I can show that to you.

Mr. FREDERICKS. Mr. Speaker, will the gentleman yield?

Mr. WINSLOW. Yes.

Mr. FREDERICKS. How does the price that it is contemplated the Government will pay compare with the actual cash expended by those who put the project into the condition it is now in?

Mr. WINSLOW. If I have time enough to do that, I will do it. But I do not want to send a ball over the plate and then dispute the decision of the umpire. [Laughter.]

Mr. FREDERICKS. What is the price named in this bill?

Mr. WINSLOW. Eleven million five hundred thousand dollars, of which \$5,500,000 is for the property, which will go to pay some of the debts of the company, and \$6,000,000 to the holders of the bonds less the value of 922 acres of land, which I believe is worth about \$300,000, and \$100,000 to be left in cash in the treasury of the company for the Government.

Mr. FREDERICKS. What amount of money has this company expended in putting the thing in the shape it is in now? Have you the figures?

Mr. WINSLOW. In connection with that you get into a matter of accounting. It is one of those questions which I should have a little time to explain, in fairness to the gentleman, in

fairness to myself, and in fairness to the House, because that is the controversy on which Secretary Baker put forth the claim that he was being asked to pay too much. But his own accountants, who are Price, Waterhouse & Co., of New York, a great concern, retained by the Government and paid by the Government, have shown a cost investment, according to their way of looking at it, of over \$12,000,000.

The SPEAKER. The time of the gentleman from Massachusetts has expired.

Mr. SNELL. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The question was taken; and on a division (demanded by Mr. NELSON of Wisconsin) there were—ayes 109, noes 27.

Mr. NELSON of Wisconsin. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from Wisconsin makes the point of order that there is no quorum present. The Chair will count. [After counting.] One hundred and eighty-five Members are present, not a quorum. The Doorkeeper will close the doors, the Sergeant at Arms will bring in the absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 228, nays 96, answered "present" 6, not voting 102, as follows:

YEAS—228

Abernethy	Dickstein	Kerr	Porter
Ackerman	Doughton	Ketcham	Pou
Allen	Driver	Kindred	Prall
Allgood	Dyer	King	Pratt
Almon	Elliott	Knutson	Quayle
Andrew	Evans, Mont.	Kurtz	Ragon
Anthony	Fairchild	Lankford	Rahney
Aswell	Fairfield	Larson, Minn.	Raker
Bacon	Faust	Lazaro	Rathbone
Barbour	Favrot	Lea, Calif.	Reece
Beers	Fenn	Leatherwood	Reed, N. Y.
Bogg	Fish	Leayitt	Richards
Berser	Fisher	Lindsay	Rogers, Mass.
Bixler	Fleetwood	Lineberger	Romjue
Black, N. Y.	Foster	Logan	Sanders, Ind.
Bland	Fredericks	Longworth	Sandlin
Bloom	Free	Lorier	Sears, Fla.
Bowling	Freeman	Luce	Sinnett
Boyce	French	Lyon	Smith
Boylan	Frothingham	McDuffie	Smithwick
Briggs	Fuller	McFadden	Snell
Britten	Gallivan	McLaughlin, Mich.	Speaks
Browne, N. J.	Garber	McLaughlin, Nebr.	Sproul, Ill.
Brumm	Garrett, Tex.	McLeod	Stalker
Buchanan	Gasque	McSweeney	Stengle
Buckley	Gifford	MacGregor	Stephens
Burdick	Glatfelter	Major, Ill.	Strong, Kans.
Burtness	Graham, Pa.	Mansfield	Strong, Pa.
Burton	Green, Iowa	Mapes	Sullivan
Butler	Greene, Mass.	Martin	Swing
Cable	Griest	Mead	Swoope
Campbell	Hadley	Merritt	Taber
Cannon	Hardy	Michener	Temple
Carew	Haugen	Miller, Wash.	Thompson
Casey	Hawes	Milligan	Tilson
Celler	Hawley	Mills	Timberlake
Chindblom	Hayden	Minahan	Tinkham
Christopherson	Hickey	Moore, Ohio	Treadway
Clancy	Hill, Ala.	Moore, Va.	Underhill
Clarke, N. Y.	Hill, Md.	Morgan	Vestal
Clary	Hoch	Morrow	Vincent, Mich.
Cole, Iowa	Holaday	Murphy	Walworth
Collier	Hooker	Nelson, Me.	Watres
Colton	Hudspeth	Newton, Minn.	Watson
Connery	Hull, Iowa	Newton, Mo.	Weaver
Cooper, Ohio	Hull, William E.	O'Brien	Weller
Cramton	Jacobstein	O'Connell, R. I.	Wertz
Crowther	Jeffers	O'Connor, La.	White, Me.
Cullen	Johnson, Ky.	O'Connor, N. Y.	Williams, Ill.
Cummings	Johnson, S. Dak.	O'Sullivan	Wilson, La.
Dallinger	Johnson, Tex.	Oliver, Ala.	Winslow
Darrow	Johnson, Wash.	Oliver, N. Y.	Wood
Davey	Jost	Paige	Woodruff
Deal	Kearns	Parker	Wurzbach
Dempsey	Kelly	Patterson	Wyant
Denison	Kendall	Pertman	Young
Dickinson, Iowa	Kent	Phillips	

NAYS—96

Arnold	Davis, Tenn.	Johnson, W. Va.	Mooney
Ayres	Dickinson, Mo.	Jones	Moore, Ga.
Beck	Dominick	Keller	Morehead
Bell	Dowell	Kopp	Nelson, Wis.
Black, Tex.	Drewry	Kunz	Nolan
Blanton	Evans, Iowa	LaGuardia	Oldfield
Brand, Ga.	Frear	Lampert	Parks, Ark.
Browne, Wis.	Fullbright	Lanham	Peery
Browning	Fulmer	Larsen, Ga.	Quin
Bulwinkle	Gardner, Ind.	Lee, Ga.	Ramseyer
Byrns, Tenn.	Garner, Tex.	Lilly	Rankin
Clague	Garrett, Tenn.	Little	Rayburn
Connally, Tex.	Greenwood	Lowrey	Reed, Ark.
Cook	Harrison	McClintic	Roach
Cooper, Wis.	Hastings	McKeown	Robison, Ky.
Crisp	Hill, Wash.	McKeown	Rubey
Crosser	Howard, Nebr.	Major, Mo.	Sabath
Davis, Minn.	James	Michaelson	Sanders, Tex.

Schall
Schnelder
Shallenberger
Sinclair
Sproul, Kans.
Stedman

Sumners, Tex.
Swank
Taylor, W. Va.
Thatcher
Thomas, Ky.
Thomas, Okla.

Tillman
Tucker
Underwood
Vinson, Ga.
Voigt
Wefald

White, Kans.
Williamson
Wilson, Ind.
Wingo
Woodrum
Wright

Busby
Carter

ANSWERED "PRESENT"—6
Madden
Salmon

Tydings
Wolf

NOT VOTING—102

Aldrich
Anderson
Bacharach
Bankhead
Barkley
Beedy
Boies
Box
Brand, Ohio
Byrnes, S. C.
Canfield
Clark, Fla.
Cole, Ohio
Collins
Connolly, Pa.
Corning
Croll
Curry
Doyle
Drane
Eagan
Edmonds
Fitzgerald
Funk
Geran
Gibson

Gilbert
Goldsborough
Graham, Ill.
Griffin
Hammer
Hersey
Howard, Okla.
Huddleston
Hudson
Hull Morton D.
Hull, Tenn.
Humphreys
Kahn
Kless
Kincheloe
Kvale
Langley
Lehlbach
Linthicum
McKenzie
McNulty
McSwain
MacLafferty
Magee, N. Y.
Magee, Pa.
Manlove

Miller, Ill.
Montague
Moore, Ill.
Moore, Ind.
Morin
Morris
Mudd
O'Connell, N. Y.
Park, Ga.
Peavey
Perkins
Ransley
Reed, W. Va.
Reid, Ill.
Robinson, Iowa
Rogers, N. H.
Rosenbloom
Rouse
Sanders, N. Y.
Schafer
Scott
Sears, Nebr.
Seger
Sherwood
Shreve
Simmons

So the resolution was agreed to,

The Clerk announced the following pairs:

On this vote:

Mr. Gibson (for) with Mr. Busby (against).
Mr. Curry (for) with Mr. Rouse (against).
Mr. Corning (for) with Mr. Funk (against).
Mr. O'Connell of New York (for) with Mr. Park of Georgia (against).
Mr. Upshaw (for) with Mr. Kvale (against).
Mr. Tague (for) with Mr. Wolff (against).
Mr. Shreve (for) with Mr. Morris (against).
Mr. Humphreys (for) with Mr. Collins (against).

Until further notice:

Mr. Madden with Mr. Carter.
Mr. Magee of New York with Mr. Bankhead.
Mr. Kahn with Mr. Clark of Florida.
Mr. Manlove with Mr. Kincheloe.
Mr. Bacharach with Mr. Wilson of Mississippi.
Mr. Graham of Illinois with Mr. Barkley.
Mr. Boies with Mr. Linthicum.
Mr. Kless with Mr. Doyle.
Mr. Hudson with Mr. Box.
Mr. Sears of Nebraska with Mr. McNulty.
Mr. Aldrich with Mr. Eagan.
Mr. Sweet with Mr. Taylor of Colorado.
Mr. Vare with Mr. Huddleston.
Mr. Cole of Ohio with Mr. Sherwood.
Mr. Welsh with Mr. Byrnes of South Carolina.
Mr. Winter with Mr. Goldsborough.
Mr. Connolly of Pennsylvania with Mr. Watkins.
Mr. Schafer with Mr. Hull of Tennessee.
Mr. Reid of Illinois with Mr. Canfield.
Mr. Peavey with Mr. Howard of Oklahoma.
Mr. Seger with Mr. McSwain.
Mr. Morin with Mr. Gilbert.
Mr. Fitzgerald with Mr. Drane.
Mr. Scott with Mr. Stevenson.
Mr. Morton D. Hull with Mr. Ward of North Carolina.
Mr. Ransley with Mr. Montague.
Mr. Lehlbach with Mr. Stegall.
Mr. Madd with Mr. Croll.
Mr. Perkins with Mr. Rogers of New Hampshire.
Mr. Magee of Pennsylvania with Mr. Hammer.
Mr. Taylor of Tennessee with Mr. Geran.
Mr. Rosenbloom with Mr. Sites.
Mr. Brand of Ohio with Mr. Griffin.
Mr. Miller of Illinois with Mr. Vinson of Kentucky.
Mr. MacLafferty with Mr. Williams of Texas.

The result of the vote was announced as above recorded.

A quorum being present, the doors were opened.

Mr. WINSLOW. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 3933) for the purchase of the Cape Cod Canal property, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 3933, with Mr. CRAMTON in the chair.

The Clerk read the title of the bill.

Mr. WINSLOW. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. The gentleman from Massachusetts asks unanimous consent that the first reading of the bill be dispensed with. Is there objection? [After a pause.] The Chair hears none.

Mr. WINSLOW. Mr. Chairman, no arrangement has been made as to control of the time.

The CHAIRMAN. The rule provides that there shall be not to exceed three hours of debate, to be equally divided for and against. The gentleman from Massachusetts, I assume, is in favor of the bill and will be recognized for one hour and a half.

Mr. BLANTON. Mr. Chairman, that can not be done in committee. I make the point of order that can only be done in the House.

The CHAIRMAN. The limitation upon the time has been fixed, but not the control of the time.

Mr. GARRETT of Tennessee. Mr. Chairman, if the gentleman will permit me a moment, of course, I know the time has passed for arranging for control of the time, but in the interest of orderly procedure, the three hours should be controlled.

Mr. BLANTON. Certainly.

Mr. GARRETT of Tennessee. Just a moment. An agreement can not be entered into in Committee of the Whole and yet it should be. It seems to me that the gentleman from Massachusetts should control one hour and a half and the gentleman from Texas, the ranking member of the Committee on Interstate and Foreign Commerce, opposed to the bill, should control one hour and a half.

Mr. TILSON. There is nothing to hinder that if there is unanimous consent.

Mr. SANDERS of Indiana. If the gentleman from Tennessee will yield, I suggest that in the absence of any specific direction by the House, the question of control may be made in the committee by unanimous consent. The question of control of time can not be extended because that is specifically fixed by the House.

Mr. GARRETT of Tennessee. The gentleman thinks control of the time can be so fixed.

Mr. TILSON. By unanimous consent.

Mr. GARRETT of Tennessee. Mr. Chairman, I ask unanimous consent that the time for general debate may be controlled one-half by the gentleman from Massachusetts [Mr. WINSLOW] and one-half by the gentleman from Texas [Mr. RAYBURN].

The CHAIRMAN. The gentleman from Tennessee asks unanimous consent that the control of the time may be given one-half to the gentleman from Massachusetts [Mr. WINSLOW] and one-half to the gentleman from Texas [Mr. RAYBURN]. Is there objection?

Mr. WOLFF. I object, but will withhold it.

Mr. BLANTON. Mr. Chairman, I reserve the right to object in order to ask a question.

The CHAIRMAN. Does the Chair understand objection has been made?

Mr. BLANTON. Mr. Chairman, I reserve the right to object. All I want is 10 minutes against the bill. I was promised time against the rule by the gentleman from New York [Mr. SNELL], but through an arrangement which he made with the gentleman from Wisconsin he had to give my time to him. I would like to have 10 minutes against this bill out of the one hour and a half. If I can get a little time against the bill, that is all I want.

Mr. RAYBURN. Mr. Chairman, I will say to the gentleman that I have seven men who have already spoken for time; but if I have any time left I will yield it to the gentleman from Texas, but, of course, I am making no contract about that.

Mr. BLANTON. I shall not object, Mr. Chairman. I am sure the gentleman will yield me time, if possible.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee? [After a pause.] The Chair hears none, and it is so ordered. The gentleman from Massachusetts is recognized for an hour and a half.

Mr. WINSLOW. Mr. Chairman and members of the committee, years ago, in 1873, the first move was made by the United States toward the establishment of internal and intercoastal waterways. Since that time the policy of the Government has been to develop transportation by water from time to time until now we have quite a considerable amount of water transportation under the control of the United States, both intercoastal and internal.

The United States has been buying up or building waterways and they now have quite a number covering many parts of the country. As yet there has been no registered protest against the existence of any one of those that the United States has bought up or developed.

We have the Chesapeake and Delaware waterway, the Chesapeake and Albemarle, Beaufort, N. C., to Jacksonville, Charleston to Windsor, Wapoo Cut, Beaufort, S. C., to St. Johns River,

Indian River, Appalachicola River, Santa Rosa Sound, Mobile Bay, Mississippi River, Galveston to Corpus Christi, St. Marys Falls, Lake Huron, Black Rock Canal in the Niagara River, Sturgeon Bay and Green Bay with Lake Michigan Ship Canal in Michigan, the Kanawha waterway on Lake Superior, the Illinois and Mississippi waterway in Illinois, Louisville and Portland in Kentucky, Colbert Shoals Canal in Tennessee, Muscle Shoals Canal, Cascade Canal in Oregon, Dalles and Toledo Canal in Oregon, Willamette Falls in Oregon, Lake Washington Ship Canal in Seattle, and the Government has spent or has arranged to spend on these canals all the way from a few hundred thousand dollars up to \$24,000,000.

The Government has bought privately owned canals and developed them and built others. We have before us now for the consideration of Congress in the immediate future three distinct waterway problems which I believe are in the interest of the transportation of the entire country. It is not fair to say that any one of these canals which I have mentioned is strictly a local undertaking. Each contributes to local development, to be sure, but each, nevertheless, helps some locality to reach out and get into every part of the United States and each helps every part of the United States to get to the locality of each waterway. The issue is national, and it is only the narrow mind that is prepared to say that any one of these canals is not a national proposition.

We have, for instance, coming up in a few days the Mississippi River barge canal bill, with reference to forming a corporation to operate the Mississippi River barge canal business.

It is a most meritorious undertaking and was reported out of the committee by a very large vote; I think, unanimously. It is a proposition not to make a waterway but to incorporate the Big Warrior and Mississippi River barge business in such a way that it can do business and go on and try out the inland-waterway proposition, and it is well worth the cost for the country to try this water system of transportation. It can only be tried out by putting the canal company in such shape so that it can handle its business efficiently.

Mr. McKEOWN. Will the gentleman yield?

Mr. WINSLOW. Not now. If the Mississippi undertaking is worked out and another link is put along the shore of Texas, as I shall explain, the great fabricators of iron and steel in Pittsburgh can get down the Ohio from Pittsburgh and other cities, and down the Mississippi River from St. Paul to New Orleans, and can send freight through the Louisiana and Texas Canal. When finished, as it ought to be, it will carry us up to the Mexican border, and those who have studied the subject know that the Mexican Government is waiting and has for a long time been waiting for us to deliver shipments to the Mexican border by waterway. Mexico will then make a canal of its own which would mean that you could load a barge in Pittsburgh, Cincinnati, or Paducah and run straight through the Texas country without any discharge whatever.

The Mississippi River barge matter, I think you all know and likely have a better idea of it than of the proposed Louisiana and Texas canal project. That matter is before the River and Harbor Committee. It is not my purpose to forestall the action of any committee or butt into its undertaking. To my mind, that Louisiana and Texas canal project is an exceedingly meritorious proposition, and it ought to go through. It ought to be supported by our Government. There is a little stretch between the Sabine River and Galveston Bay, where there is a canal proposed to be built that will make a continuous line from Mobile to Louisiana and New Orleans, to Corpus Christi, and then later on to the Mexican border.

Mr. HUDSPETH. Will the gentleman yield?

Mr. WINSLOW. For a brief question.

Mr. HUDSPETH. How much is to be appropriated for the intercoastal canal from Corpus Christi to New Orleans?

Mr. WINSLOW. I do not know; I am not concerned myself about the cost of that. I am not concerned as much about the cost as I am of the importance and necessity of building the canal. There is another project under way which will eventually go through, and that is cutting across the top of the peninsula of Florida. When that is done, you can start anywhere on the coast of Texas and come up into our country until you reach this dangerous point on the Atlantic coast that has been known for all time as the graveyard of the Atlantic. Shall it not be built, because somebody locally far away does not like it?

We could send wares all the way down through this system, and we could get shipments cheaper from Pittsburgh than we

can get them now from Pittsburgh to Massachusetts by rail. All the projects I have named are meritorious and ought to be put through. Now, to get down to the discussion of this important Cape Cod Canal.

Mr. BLANTON. Will the gentleman yield?

Mr. WINSLOW. My heart prompts me to yield, but I do not like to get sidetracked in my limited time. I will hurry through as fast as I can, and then I will yield.

Mr. BLANTON. The gentleman has shown that he is a good fisherman with the bait he is offering.

Mr. WINSLOW. Well, does the gentleman bite? [Laughter.] The Cape Cod Canal is no new proposition. I am not going through the long history of it; but it is interesting to know that in George Washington's time there was an effort to get through Cape Cod territory. Somebody asked why did not George get through, and why did not the engineers later get through. There are two reasons, and the main one has been that the mechanical devices which would enable them to get through with anything like a normal and reasonable expense were not sufficiently developed. In later times they have been.

Mr. SHERWOOD. Will the gentleman tell us what is the depth of the canal?

Mr. WINSLOW. At present it is 25 feet. Later on I shall approach that subject in some detail. As time went on, times without number, they undertook to get through Cape Cod, but it was not until much later that a company thought they saw their way to build and complete the canal in view of the development in building such public works. A company was organized, men with money went into it, and who in heaven's name would expect to accomplish anything of that kind without the participation of men with money. You can not pay for a canal with paper bags. It takes capital to do it. Men of courage and capital went into it. They opened the canal on the 14th of August, 1914. I remember it with pleasure, because I happened to be one of those who went through when it was opened with appropriate ceremonies—not now possible. [Laughter.]

On the 14th of August they opened the canal when the depth was 12 feet. It was suitable only for small draft boats. There was no idea of making it pay, but, of course, there was an idea of getting a little something back from the shallow draft boats. The owners never had a chance to try out the canal. The opening up of that canal came along, and, mind you, November 16, after the canal was opened on August 14 the Government of the United States, through the behest of the Secretary of the Navy and the Secretary of War, began to look about to see for what sum the canal could be bought.

I will say for the benefit of the opponents and proponents alike that so far as I know and so far as I have heard there never has been anyone who has ever testified or said in conversation or otherwise that at any time before the Government reached out for a price that the owners of the Cape Cod Canal offered it or tried to sell it to anybody whatsoever. If there is a man in this House who has the information which I do not have, which he will substantiate with references, I will take his word for it; but in the absence of such I am not willing to take the broad statement of anybody from the beginning up to this minute that the canal company ever made an initial move to sell.

Mr. NELSON of Wisconsin. If the gentleman will allow me to interrupt. Secretary Baker said so, and I read his own words.

Mr. WINSLOW. I say I do not dispute it, but I ask for the record. "Say so" will not go with me in a statement of facts. If anyone has the record, I will bow to it; but in the absence of it I can not consider the argument. I could hang everybody here on "say so" if I traveled in various districts. [Laughter and applause.]

I am dealing with facts which are substantiated by witnesses, and not statements which a man may make because he believes them and which he is not able to carry through with demonstration. I hurry over this. The Secretary of War asked for a price. He got \$13,000,000 handed back to him. He did not like it, and then meanwhile he had an accounting made at Government expense by his own accountants, as I have described. In due time, after the President of the United States, Woodrow Wilson—now I am a little bit ahead. While the war was on we took over the canal by presidential proclamation for war purposes. Before it was given up by the United States and turned back into the hands of the owner the Secretary of War was unable to buy it; he could not agree on the price, so he fell back on Congress's mandate in law that we could purchase it for so-and-so, and if we could not obtain it

privately we could go into a court in condemnation proceedings. Secretary Baker went into court and, instead of getting the canal for \$8,250,000, the court said, "No; if you please, \$16,850,000 less \$150,000 for deferred maintenance." By the way, you remember Congress said, "If you can not buy it like a horse trader, buy it through the court." The Secretary went to the court, and the court gave an award.

The other parties to the trade said, "Nothing doing; you will have to go back into the court and go before the court of appeals in Washington," and the verdict was, I think, set aside—I am untrained in technical legal expressions—but, however expressed, a new trial was ordered on the ground of improper testimony. Under the law the Cabinet committee, the Democratic administration, Wilson's Secretary of War, Secretary of the Navy, and Secretary of Commerce, unanimously agreed—I have plenty of testimony to show even under oath—that we ought to have the canal. President Wilson's committee finally said we ought to get it for less money, so they undertook condemnation. Meanwhile the administration changed, and after the court of appeals had ordered a new trial this new Cabinet came in, a Cabinet of Warren G. Harding, and a new Cabinet committee made a trade and set up a contract which was entered into, I believe, in absolutely good faith, and it provided for \$11,500,000 with which to get not only the canal property as originally comprehended but also 932 acres of adjoining land most valuable to the canal property, and \$100,000 was to be reserved in cash on the trade when the contract should be executed.

Mr. JACOBSTEIN. Will the gentleman yield?

Mr. WINSLOW. I will.

Mr. JACOBSTEIN. Under what authority, if the gentleman please, was that contract agreed to?

Mr. WINSLOW. Under the authority of the act of Congress of August 8, 1917. It was made under the act of Congress which said, "Go buy it." That was in President Wilson's time. Within two weeks after the armistice was signed the Government ordered or directed Secretary of War Baker to buy the canal, in accordance with the provision of law which I have stated, and make a genuine artery, not for war purposes alone, not for strategic purposes alone, but for all purposes as a genuine artery, and under that direction of President Wilson the committee, under the leadership of the Secretary of War, tried to buy it. They did not get their price, so they went to the court. They did not get something that pleased them, so they kicked over and finally managed to get an order for a new trial, and that new trial was under way when the Harding administration came in, and automatically the Secretary of War, the Secretary of the Navy, and Secretary of Commerce of the Harding administration succeeded to the responsibilities of their predecessors. They picked this negotiation up again and communed with the owners of the canal, and they arrived at the price and the terms which appear in the contract. I happened to be chairman of the Committee on Interstate and Foreign Commerce at the time, and my name as chairman of the committee, automatically—not from any residence of mine in Massachusetts but in accordance with the common practice of the Congress for the chairman to put his name at the head of purely administration bills—and that is why my name appears as that of the introducer of the bill. Moreover, I am not sleeping with bloated stock and bond holders of New York and Massachusetts. [Laughter.]

Mr. JACOBSTEIN. Mr. Chairman, will the gentleman yield?

Mr. WINSLOW. Yes.

Mr. JACOBSTEIN. Has there been any change in the ownership of the canal?

Mr. WINSLOW. None whatever. It is now being operated by the canal company in the interest of the Government until the time comes for the disposition of the contract. At one time the Government did not want to run the canal. They disputed its ownership, and the company did not want to run it, as it denied ownership, and the canal was run for a while by a man "for whom it might concern." When the contract was established the canal company, which was familiar with the operation, was asked by the United States Government to run it pending the action of Congress on the contract as otherwise agreed to, and that situation exists now. No money is diverted to the treasury of the canal company and no receipts spent for a couple of years, except for maintenance and upkeep.

Mr. JACOBSTEIN. No new financial interests have come in?

Mr. WINSLOW. No; and meanwhile the canal company owners have been compelled to pay out of their own pockets the interest on \$6,000,000 in bonds.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. WINSLOW. Yes.

Mr. ABERNETHY. I am for the canal, because it is a part of the inland waterway scheme which the Government is undertaking to operate from Boston down to the Gulf. But I would like to have an answer to a question raised on this side of the House, that at one time the owners of the canal undertook to accept \$9,000,000 for it. That item got into a river and harbor bill in the Senate. Now they want \$11,500,000. Will the gentleman explain that?

Mr. WINSLOW. I will, according to my best recollection, and I will call on the gentleman from New York [Mr. DEMPSEY] for correction, if any need be made.

The Committee on Interstate and Foreign Commerce reported out a bill carrying in round numbers \$11,500,000 for the canal. When the river and harbor bill was put in in the last Congress it pleased the Senate through a conference to bring in a rider on that bill—perhaps a matter beyond their jurisdiction; but they brought in an item for \$9,000,000, clipping off two million and a half from the amount named by the Committee on Interstate and Foreign Commerce in its bill. When that report came in the Committee on Interstate and Foreign Commerce resisted it, for this reason: They were not aware of the fact that the owners of the canal had ever consented to any reduction of the \$11,500,000. They were not aware of the fact that the committee of the President had any notice of the proposed reduction or that they agreed to it as a wise course.

Our committee presented its views to the House, and the Committee on Rivers and Harbors presented its views, and by a vote of the House it was decided that the item naming \$9,000,000 had better be stricken out of the river and harbor bill, and it was referred back to conference and so it was dropped out. That is the whole story, is it not?

Mr. DEMPSEY. Yes; that is a correct statement.

Mr. WINSLOW. I would like to add, with such pleasure as may be connected with this experience, that neither the Cabinet nor the President discussed the wisdom of cutting off the \$2,500,000.

Mr. DEMPSEY. Yes; that is correct.

Mr. ABERNETHY. Mr. Chairman, will the gentleman again yield?

Mr. WINSLOW. Yes.

Mr. ABERNETHY. The owners, as I understand, never agreed to that?

Mr. WINSLOW. No. The Senate, for reasons sufficient to itself, clipped off \$2,500,000. We never raised it up. They cut it down.

Mr. OLIVER of Alabama. Mr. Chairman, will the gentleman yield?

Mr. WINSLOW. Yes.

Mr. OLIVER of Alabama. This is a segment of an intercoastal canal project which the Government has in view, and is in accordance with the provision reported by the Committee on Rivers and Harbors in connection with the project now entertained of an intercoastal canal?

Mr. WINSLOW. Yes. This is of importance to the Government, which has favored this matter as an absolute necessity for the Government; a project which Secretaries Baker, Redfield, Daniels, Weeks, Denby, and Hoover, and Presidents Wilson, Harding, and Coolidge, and engineers of the Army and Navy, and admirals ad libitum favored.

I could give you a whole line of Government and expert indorsers of it here, with quotations necessary to prove the statement. You will, I am sure, take my word that they have indorsed the purchase of the canal as a desirable thing all the time, and there has been only one contention about it, and that has been as to the price. Never until this morning have I heard anybody suggest that it would not be a desirable acquisition to the Government for three reasons: First, as a commercial proposition, and then again from the standpoint of strategic position for war purposes, and again for the humane considerations, which we will undertake to develop in due time.

Mr. BLANTON. The gentleman spoke of President Wilson and his cabinet being heartily in favor of this proposition. I would like to ask the gentleman to explain this for my benefit. President Wilson and his cabinet were in absolute authority in August, 1917. They could pass any kind of a bill they wanted. Why was it necessary for Secretary Weeks in the Senate to put this matter as a rider on an appropriation bill for a Democratic administration? Why did they not have some one acting for themselves to put it on?

Mr. WINSLOW. Maybe they could not find any Democrat who knew half as much about it as Senator Weeks. [Laughter.]

Mr. JACOBSTEIN. Mr. Chairman, will the gentleman yield for another question?

Mr. WINSLOW. Yes.

Mr. JACOBSTEIN. You stated there were three reasons, and you mentioned as first the commercial reason.

Mr. WINSLOW. Yes.

Mr. JACOBSTEIN. Did you mean by that that even though the private company could not operate it profitably the Government could, giving free tolls?

Mr. WINSLOW. That is one of the reasons.

Mr. JACOBSTEIN. You would not regard that as a commercial enterprise?

Mr. WINSLOW. Yes.

Mr. JACOBSTEIN. The Government would not make it pay, would it?

Mr. WINSLOW. By charging an admission fee?

Mr. JACOBSTEIN. Yes.

Mr. WINSLOW. It can not make any of those things pay. Long Island is not paying and New York Harbor is not paying.

Mr. JACOBSTEIN. It is not as a purely commercial proposition, then?

Mr. WINSLOW. No more than is Ambrose Channel. But you New York people do not want to lose that channel nor have the Government abandon it.

Mr. JACOBSTEIN. It is not to be used with tolls for shipping?

Mr. WINSLOW. No. Under existing law they can not run canals with tolls, except the Panama Canal.

Mr. JACOBSTEIN. One more question. Reference was made in the debate to the transfer of jurisdiction of this matter from the Committee on Rivers and Harbors to the Committee on Interstate and Foreign Commerce. As a new Member, I would like to have the gentleman explain how it got to the Committee on Interstate and Foreign Commerce instead of the Committee on Rivers and Harbors.

Mr. WINSLOW. If the gentleman regards the question as germane and important, and if he will call upon me, I will tell him all about it.

Mr. JACOBSTEIN. In debate it was stated there was an implication somewhere of motive for transferring it.

Mr. WINSLOW. No, no. That happened in the Senate, and we are not accountable for any strange vagaries of theirs. [Applause.]

Mr. WILLIAMSON. Will the gentleman yield?

Mr. WINSLOW. Yes.

Mr. WILLIAMSON. What is the approximate width and depth of this canal at the present time?

Mr. WINSLOW. The average depth is 25 feet. It is deeper at one end than at the other, on account of the way the water runs, due to the movement of the tides. I am very glad to go on in this way, because it shows what the Members are interested in, but it will break up the continuity of a running statement by me. The depth at mean low water now is 25 feet. They propose—the engineers of the Army, through whom everybody has worked, and whose figures are accepted—to have a depth of 35 feet. It is the opinion of General Goethals and others that with a depth of 35 feet, in connection with the tides twice a day, it will make it possible for a warship of 40 feet draft to go through the canal.

Mr. WILLIAMSON. How much additional will it cost to give this canal a depth of 35 feet and a width of 200 feet?

Mr. WINSLOW. The estimate of the engineers was about \$10,000,000.

Mr. WILLIAMSON. Can this canal be operated without locks?

Mr. WINSLOW. There has been only one engineer who suggested locks, and that was Colonel Burr, of the Army.

Mr. WILLIAMSON. What is the approximate difference in the height of Cape Cod and Buzzard's Bay—the level?

Mr. WINSLOW. I think the gentleman from Massachusetts [Mr. GIFFORD] can tell you about that, but I think, 7 feet.

Mr. GIFFORD. Five feet.

Mr. UNDERHILL. That is at flood tide?

Mr. WINSLOW. Are there any other questions at this moment?

Mr. McKEOWN. Will the gentleman yield?

Mr. WINSLOW. Yes.

Mr. McKEOWN. I would like to know what the attitude of Secretary Weeks is now on the Warrior River proposition. I noticed the other day that he was in favor of disposing of that proposition.

Mr. WINSLOW. I am not going to waste any more time on Warrior River. I have told you I think it is a fine thing, and I think Secretary Weeks is one of the strongest men in support of it.

Mr. McKEOWN. But I noticed in the papers that he was going to sell it.

Mr. WINSLOW. I do not care to yield further as to the Warrior River. I will help the gentleman fry those fish later but not now.

Mr. SHALLENBERGER. Will the gentleman yield?

Mr. WINSLOW. Yes.

Mr. SHALLENBERGER. Did I understand the gentleman to say that the rider carrying \$9,000,000, which was put on in the Senate, was put on at the instance of Senator Weeks at that time?

Mr. WINSLOW. No; that was long before and he was not there.

Mr. SHALLENBERGER. But the \$11,500,000 appropriation was his?

Mr. WINSLOW. No; that was made up by a committee of three—the Secretary of War, the Secretary of the Navy, and the Secretary of Commerce, acting for the Harding administration.

Mr. SHALLENBERGER. My point was whether the Senator had agreed to the \$9,000,000.

Mr. WINSLOW. No.

Mr. MANSFIELD. If the gentleman will permit, I want to suggest to the gentleman from Nebraska [Mr. SHALLENBERGER] that the Senate did not put it in at \$9,000,000; they put it in at \$11,500,000, but the conferees—the gentleman from New York [Mr. DEMPSEY] was one of the conferees—suggested \$9,000,000 in the conference.

Mr. WINSLOW. However it was, it was not accepted by the House at the time.

Now, the time has been flying. I could show you—and I would like to get permission to extend my remarks if it is possible to obtain that permission now.

The CHAIRMAN. The gentleman from Massachusetts asks unanimous consent to extend his remarks in the RECORD. Is there objection? [After a pause.] The Chair hears none.

Mr. WINSLOW. We can give you, as to the value for war purposes, the testimony of many engineers, beginning with General Goethals. We can take in Admiral Benson. We have Colonel Hodges; we have Gen. Leonard Wood; we have General Murray; General Black; General Beach; Admiral Chester; Admiral Knight, and I do not know how many others, but all have contributed their direct testimony to the effect that it is of high importance, and the particular thing which all emphasize is that if you can have that canal you can run up the Atlantic coast and clear up from the South with torpedo destroyers, submarines, and so on, without getting into rough water, and they can come in through Long Island Sound and into Massachusetts Harbor and run away from any attack which can be made outside. We had such an experience during the war, when some barges were shot up by a German submarine which skinned across the ocean and bobbed up outside of Cape Cod. That submarine shot up some of these barges from Philadelphia, or Baltimore or Norfolk. The barges would never go out that way if they had this canal as a matter of commerce.

We have more ships going through the Cape Cod Canal than there are going through the Panama Canal every year. We do not get the tonnage because they carry very big ships through the Panama Canal, but we have great numbers of coastwise small boats, many pleasure boats and hundreds of little fishing smacks which are used by men who get their living from pulling fish out of the water and carrying them to Boston. Then, too, more people—not more people, because there are now excursion steamers going through the Panama Canal—but when you come to the number of vessels, my recollection is that there are about twice as many going through the canal at Cape Cod as through the Panama Canal.

Mr. CLAGUE. Will the gentleman please explain the saving in distance?

Mr. WINSLOW. I will. New York is down this way and the coast runs off here [indicating on map]. Cape Cod is this part down here [indicating]. All of these black marks [indicating] indicate marine disasters of one kind or another, involving property or lives or both.

There have been hundreds and hundreds of them which have not been recorded here for the reason that the data have not got into the hands of the Government departments such as the Coast Guard, which keeps these records.

Long Island Sound comes up here, and they go either outside, of Block Island or inside. That is a very bad place, but it is in the middle of the ocean, and, of course, you can not canal that; but they do work along there in comparatively smooth water. Then they strike Buzzards Bay, which is almost landlocked. It is a safe place for little catboats and other boats

used for pleasure purposes in the summer. All this land around here [indicating] is very valuable for summer residences and is selling fast for that purpose. The land which would be obtained here at Cape Cod is also very valuable for that sort of purpose as well as for terminals of railroads.

They come up through Buzzards Bay, where there is a deep channel for a warship without any danger of being hit, and then the dredging begins out here, perhaps 3 or 5 miles until you get into the canal proper. Then they go on through there.

You have asked the distance it saves. If ships come in through here and wiggle around through this very rough place and come around here the saving is about 65 or 70 miles according to the chances that are taken. Mighty few of them, in any weather that looks heavy, ever go near Nantucket or ever come near this point down here. They go off here sometimes 50 or 100 miles in bad weather and an ordinary coasting steamer would stand off there 50 to 70 miles. Bear in mind that between here and Spain there is not anything to interrupt the breezes and the rolls of the ocean are tremendous there. As they steer off around this cape, they go into Boston. It is a question of the chances the mariner is willing to take, the size of his vessel, and so forth and the weather, as to whether this distance is around 60 or 70 miles or 100 miles.

You must understand that a great deal of the business that comes here is coal. We are not able in New England to get sufficient coal over the railroad lines in the wintertime and I do not know that we could get sufficient coal in the summer time to store for winter and many barges come up here from Norfolk, from Philadelphia, from Baltimore and from New York, bearing coal, frequently three tows behind a tug.

If the weather gets bad, they put in at a harbor like this or they come around the cape. If the cape trip is their trip, they may stay there a fortnight before they get out, because of rough water or fog. But they do not lose time like that. There is hardly a day in the year when they can not scoot up here and go along the coast to Boston or go to Portland.

Mr. WOODRUFF. Will the gentleman yield just there?

Mr. WINSLOW. Yes.

Mr. WOODRUFF. Has the canal ever frozen over since it was built?

Mr. WINSLOW. I believe it has frozen over, but there never has been a time when they could not clear it out with what they call a ramming boat.

Mr. WOODRUFF. An ice breaker?

Mr. WINSLOW. An ice breaker. I do not know that they have ever lost a day.

Mr. UNDERHILL. An ordinary tug will break it.

Mr. WINSLOW. They have never lost a day, have they, Mr. GIFFORD?

Mr. GIFFORD. No.

Mr. SUMMERS of Washington. The legend on the map seems to indicate that the wrecks marked on the map occurred prior to 1903. Can the gentleman explain to us why the map is not revised to date, and how many wrecks have occurred since that date?

Mr. WINSLOW. Yes, sir; I can tell you that exactly. The casualties from around Cape Cod for the period following that up to 1924—this is reported by the Coast Guard April 30, 1924—instances of assistance, 895.

Mr. NELSON of Wisconsin. Is that information in the hearings?

Mr. WINSLOW. No; it is information privately obtained. Mr. NELSON of Wisconsin. Is there anything in the hearings on that?

Mr. WINSLOW. On these later dates?

Mr. NELSON of Wisconsin. On the loss of property?

Mr. WINSLOW. Oh, yes.

Mr. NELSON of Wisconsin. Can the gentleman refer to it?

Mr. WINSLOW. It is in the report and probably in the hearings. I can not say too positively about the hearings, but I will give you that information if you like just as soon as I finish.

Instances of assistance, 895; persons on board, 8,685; lives lost, 66; value of the property involved, \$38,570,760.

From 1875 to 1924 there are recorded 1,473 marine disasters in the Cape Cod area. But, mind you, it is not all a matter of having a disaster. It is not all a question of a casualty. If people get out there and are strung up in the rigging in times of stormy weather and suffer mental anguish and all the fear that goes with marine disasters, it is a matter to be considered as well as just waiting for somebody to die.

Mr. SUMMERS of Washington. Let me understand the gentleman. Would the first figures quoted apply from 1903 to the present time?

Mr. WINSLOW. 1880 to 1903 are the figures here, and then the figures I read are since that time.

Mr. SUMMERS of Washington. The gentleman then went back to 1875 and gave some figures, which was rather confusing.

Mr. WINSLOW. I went back there to group together the total of marine disasters.

Mr. RAKER. Will the gentleman yield for a question?

Mr. WINSLOW. Certainly.

Mr. RAKER. Where is Woods Hole as marked on the plat?

Mr. WINSLOW. It is right here [indicating].

Mr. RAKER. It may not be important, and possibly is not, but you have a wharf and a railroad leading from there which runs directly to Boston, have you not?

Mr. WINSLOW. Yes, sir.

Mr. RAKER. But that is insufficient to carry the coal, if you should unload it at Woods Hole and take it on into Boston. That is a fact, is it not?

Mr. WINSLOW. Oh, they could not handle anything at Woods Hole. It is just an inlet, about large enough for a steamer and a yawl to get in and turn around and get out. It is a little rock pocket.

Mr. RAKER. That is only for the purpose of passenger traffic?

Mr. WINSLOW. Yes; and for boats to land for that area around there.

Mr. RAKER. There is a railroad running from Boston to Woods Hole, because I have been over it.

Mr. WINSLOW. That is quite right.

Mr. RAKER. But it would not answer the purposes of transportation of heavy freight.

Mr. WINSLOW. Oh, no; and here is the trouble. In the matter of coal, they would have to bring it to Boston either by rail or by water, and then they would have to transfer it on to rail again and carry it on down to Woods Hole, and then they would have to transfer it and put it on the barges. The handling would be worth more than the coal.

Now, I will not undertake to go into the humane features of it. We come to the financial proposition, and the only objection I have ever heard which appealed to me as being a real argument. I want to address myself briefly to that. Secretary Baker on January 17, 1919, offered \$8,250,000 for the property. It is safe to say that when the committee of the Cabinet unanimously agreed to it he thought he was justified in offering something for it; otherwise he would be subject to discredit, and I do not discredit him. He might be wise enough in trying to get it as cheaply as he could. The Government had the books of the Cape Cod Canal Co. and went over them. The accountants paid by the Government brought in an appraisal of upward of \$12,000,000. The canal company knew what they had put in there and what the account was and they declined Mr. Baker's offer. They went to the courts and got an award of \$16,801,201.11. The trial was in progress and is being delayed by consent of counsel of both litigants by agreement.

The Government never had the canal, although it then directed the operation and has ever since. The canal company has had no real proper use of the canal. If you will take the amount of \$8,250,000 which Secretary Baker offered and which might have gone into the coffers of the canal company, and which if it had gone into the coffers of the canal company would have represented an interest charge to the Government, you will find on a basis of 6 per cent interest, compounded semiannually, on \$8,250,000 from the time Mr. Baker offered it up to the 7th of May, 1924, it would have amounted to \$13,168,864. Secretary Baker's offer plus simple interest would come to \$12,748,750, which would represent his personal idea of the value of his offer. In addition to that, you should hitch on for the benefit of the Government \$100,000 which must be left in the Treasury. Then you must take into consideration the land item of \$300,000, and there you have a proposition which shows that after all the committee of the Harding administration and the Coolidge administration have not been very far from the Baker offer when you consider the offer plus the interest accruing up to the time of making the contract.

We are almost down to the price of Secretary Baker, so if anyone wants to come in and say that Mr. Baker's offer was enough, the proposition is how much was money worth from that time to this, and you will get to a point which will establish the value of the canal as a good buying proposition for the Government. Mr. Chairman, how much time have I used?

The CHAIRMAN. The gentleman has used 47 minutes.

Mr. THATCHER. Will the gentleman yield?

Mr. WINSLOW. I will.

Mr. THATCHER. Does Mr. Baker's offer include the land?

Mr. WINSLOW. No; the land was not in it.

Mr. THATCHER. How much land is there there?

Mr. WINSLOW. Nine hundred and thirty-two acres, which is appraised at about \$300,000. There is plenty of land for widening the canal without buying any more.

Mr. JACOBSTEIN. Will the gentleman yield?

Mr. WINSLOW. I will.

Mr. JACOBSTEIN. What is the physical condition of the canal to-day compared with what it was when Mr. Baker made the offer?

Mr. WINSLOW. I do not know that I am wise enough to tell the gentleman that. I have gone through it many times; but whatever the condition is now, it would not amount to enough in the way of being of less value in the light of what must be done to make it so that large ships can go through as contemplated. There may have been some misplaced sand or a rock rolled down from the riprap since Mr. Baker's offer; and, on the other hand, they may have improved it.

Mr. UNDERHILL. It has been improved; some rocks have been taken out. I was through there last summer, and the captain of the vessel told me that it was in much better condition than it had ever been before.

Mr. FOSTER. Will the gentleman yield?

Mr. WINSLOW. I yield.

Mr. FOSTER. After the armistice the Wilson administration was attempting in good faith to secure the canal.

Mr. WINSLOW. Yes; they were acting in good faith and trying to get the canal.

Mr. FOSTER. When the war was over they did not abandon it, but tried to secure it.

Mr. WINSLOW. Yes; that same year after the armistice Mr. Wilson told the Secretary of War to "go to it" and either get it by purchase or condemnation.

Mr. FOSTER. And they were still engaged in that when the change of administration came.

Mr. WINSLOW. Yes; although the Government tried to turn it over to the owners, but they would not take it because, they said, under the law proceeding it was not theirs and, as a matter of fact, the canal never has gone back to the owners.

Mr. O'CONNELL of Rhode Island. Will the gentleman yield?

Mr. WINSLOW. Yes.

Mr. O'CONNELL of Rhode Island. Would not the use of the canal result in a great decrease in freight rates for shippers?

Mr. WINSLOW. I think there would be a general rate reduction, because the ship companies would go through there and cut off hundreds of miles, and it would inevitably have a tendency to bring down freight rates.

Mr. JACOBSTEIN. One further question. When the Government attempted to dispose of Muscle Shoals we disregarded the money invested by the Government in that project. We did not consider the market value, apparently, of that property when we were to turn it over to a private individual. Now, when a private individual wants to turn something over to the Government, we have to consider the money invested in that project. There does not seem to be the same application in those two cases, and I was wondering how the gentleman would square that.

Mr. WINSLOW. I never can square a Government operation in a financial deal of any kind, and never could. [Applause.]

Mr. RAYBURN. Mr. Chairman, I yield 15 minutes to the gentleman from New York [Mr. LaGuardia].

Mr. LaGuardia. Mr. Chairman and gentlemen of the committee, my opposition to this bill is based on the method employed in bringing this matter before us and the procedure followed rather than the merits of this particular canal. Now, I will concede for the sake of argument that the canal at this point is useful to navigation. I concede that it is the policy of our Government to build canals and operate them. That perhaps is more than some of my colleagues sponsoring this particular bill will do. The distinguished chairman of the committee made a statement in which he said that it is not a matter of price which brings this proposition into the House, and on that point I take issue. I have before me, gentlemen, the Federal Reporter, volume 271, and on page 877 you will find reported the case of *United States v. Cape Cod & New York Canal Co.* The Circuit Court of Appeals, First Circuit, reversed the award granted in the court below after a trial by jury. It has been pointed out on the floor of this House many times that it is not the function of the legislative branch of the Government to control the courts, and I submit that the reason that this bill is now before us is because the award of the jury was re-

versed by the circuit court, and under the law of the case as laid down by the circuit court nothing like the original award of \$16,000,000 could possibly be obtained by the owners of this canal. They know it, and the effort is now being made to get \$11,500,000. The distinguished chairman pointed out that it was not a matter of price. It was pointed out by the chairman that it was not reversed on any question of the value, and, gentlemen, I will ask you to take the trouble to read the opinion of the court, and, by the way, the opinion of the court is the soundest, most logical, and the fairest opinion that was handed down in all of the war cases involving questions of valuation. It is the one case in which every State and municipality of this country has relied in litigation on rates for public utilities and where property was taken during and since the war for public use.

Pursuant to the proclamation of the President on July 8, 1918, the canal was taken over by the United States Government on July 25, 1918, as a war measure. The Government was in possession and controlled the canal at the time the condemnation proceedings were instituted and remained in control of the canal up to March 1, 1920, when it was turned back to the canal company.

There seems to have been some negotiations for the purchase outright of this property. Just how necessary the canal was as a war measure I personally do not know. That is a question which does not particularly concern us at this moment. Whether the Government went after the canal or the canal people went after the Government—that, too, we may disregard at this time. There was testimony at the trial to indicate that the Government did make use of this canal during the war. The war is over. That it is the policy of this Government to develop the waterways of the country, to own and operate canals, I have just stated. But whether we are to establish a policy that a venture which was originally intended to be operated by private capital but has turned out to be a financial failure owing to its high cost of promotion, costly financing, overissuance of stock, is to be dumped on the Government; that is the question which we are to decide to-day. It is conceded by the proponents of this measure that under private operation this canal is a financial failure. We have heard repeated statements of how useful this canal is, but, on the other hand, that ships will not avail themselves of the use of the canal owing to the toll charges which the company must maintain. We know, too, that the canal requires widening and dredging, entailing expenditure of several million dollars. Although a reasonable toll is charged, ships would rather go around the cape and risk the dangers and storms than to pay a regular toll for the use of the canal. I state unhesitatingly that if we were voting an initial appropriation for the digging of this canal by the Government, I would cheerfully vote for it, but I hesitate to accept this bill, and I feel it is my duty to oppose it because we are paying not only for the actual cost of digging and building this canal but are asked to pay for enormous costs of promotion, financing, and water—I mean water in the stock, not in the canal. Let us for a moment see just what happened.

Mr. O'CONNELL of Rhode Island. Before the trial in 1917, a representative of the firm of Price, Waterhouse & Co., internationally known, testified and got the figures for the Government, and said it cost \$13,765,000; and they were employed by the Army engineers.

Mr. LAGUARDIA. There is not a lawyer in this House but knows that you can get certified accountants to testify to any valuation desired, just as you can get medical experts to testify both ways.

After an apparent failure to negotiate a private sale, the Government instituted condemnation proceedings on April 1, 1919, in the United States district court, to acquire this property under the river and harbor act of August 8, 1917. The canal company filed its answer, and the Old Colony Trust Co. appeared in the action, claiming an interest in the property in the nature of a mortgage dated January 1, 1910, in the sum of \$6,000,000, and asking that its rights be protected and compensation paid to it. The trial took place in the months of October and November, 1919. The issues submitted to the jury were—

1. The value of the property and franchise sought to be determined.

2. The amount fairly and reasonably chargeable to the Canal Co. on account of dredging and other work done by the United States while the canal was in control of the United States Railroad Administration.

Substantially the question was the value of the property plus franchise less expenditures by the Government which resulted in enhancing the value of the property. The jury rendered a

verdict of \$16,801,201.11 and credited the Government with the amount of \$150,000, which under the issues was to go in reduction of the general verdict.

Judgment was entered on the 3d day of August, 1920, and from that judgment the Government prosecuted a writ of error. In its assignment of error the Government complained that the court erred, (1) in the admission of evidence, (2) in its charge to the jury, (3) in its refusal to grant certain requests for instructions, and (4) in the substance and form of the decree entered. It has been suggested that the errors assigned by the Government in its appeal and the subsequent reversal by the appellate court has nothing to do with the price and award of the jury. It has been repeatedly stated that this reversal was due to technicalities of law and that the award made by the jury was not questioned and that a new trial would result in a like award. I take issue with such statements. I deny that such is the case. Gentlemen, the errors assigned, as I will proceed to show you, were based on the testimony which was permitted to go to the jury on the question of valuations, the very crux of this action. Errors were made in permitting testimony to go to the jury on franchise values. The court erred in charging the jury on law of valuation. That was the only issue really that the jury had to decide, and when the appellate court reversed the decision of the court below on errors of admission of testimony and the court's charges to the jury, that in itself takes the very foundation upon which the respondents based their whole theory of valuation.

A Mr. Johnson qualified as an expert on the history and theory of canal transportation and as having special knowledge of canals and inland waterways, both in this country and in Europe, with reference to the amount of business they did and the tolls they charged. The purpose of this testimony was to establish the franchise value of the canal. Mr. Johnson did not testify as to what it cost the company to construct the canal, not at all. He testified to the prospective future business of the canal; he testified to the tonnage which would go through this canal in order to establish the progressive growth in the company's business, upon which the profits of the canal could be ascertained not only for the present time, but in the future. The future estimated profits were then taken and capitalized and that amount added to the value of the property of the canal.

Mr. Johnson testified that in 1909, 26,465,000 gross vessel tons passed around the cape and that the gross vessel tonnage per annum during the war which passed through the canal and around the coast was 18,108,893 tons. Then Mr. Johnson, as an expert, was asked what, in his opinion, the future coastwise traffic would be—mark you, not what would go through the canal, but what the future coastwise traffic would be—and he said that he predicted the coastwise traffic would return to normal within three years. He assumed the tonnage would be 26,000,000 in 1923—and you will remember he was testifying in October or November of 1919—and he estimated it would reach 34,500,000 tons in 1933. Mr. Johnson also looked further into the future and estimated that in 1943 the increase would carry the figures to 46,200,000 tons. Then Mr. Johnson, as an expert witness, was asked how much of this 46,200,000 tons would go through the canal, and let me read you the testimony of the witness—Mr. Johnson's own words:

The most reliable estimate that I can make of the future growth of the traffic of a canal like the Cape Cod Canal is by predicting for it such a rate of increase as has actually been experienced by canals who have run their history for 20, 30, and 40 years, whose history is a matter of record. * * * The best method I know of to estimate the probable development of a canal like the Cape Cod Canal is to consider—and I shall be very brief about it—the actual experience of some other canals, and I have selected the Suez, the Manchester, and the Kiel Canals.

Just pause for a moment to see how far-fetched and remote was the theory upon which this expert witness based his testimony. He assumes tonnage for 1923 based upon tonnage of 1909; tonnage that went around the cape, not through the canal. Then to estimate the growth of the canal's business as far ahead as 1943 he goes to the Suez Canal in Egypt, to the Kiel Canal in Germany, and to the Manchester Canal in England. He applies the percentage of growth of tonnage of these canals in far-off distant lands, each of the three canals an important highway of traffic in the world's commerce, and applies the percentage of growth of these canals to the tonnage he assumed in 1919 would go around the cape in 1923. After he testifies to his figure of 46,000,000—to be correct, his figure was 47,357,000 tons—in this flimsy, unscientific, unprecedented manner, then they proceeded to multiply the 47,000,000 tons by so much a ton toll, deducted their estimated expense, and then capitalized the profits way up to 1943.

The court permitted all of that to go to the jury and the jury naturally took that into consideration.

The testimony was admitted over the objection of Government's counsel. The circuit court of appeals held that the testimony was improper, that the basis and theory of the witness was too remote and could by no stretch of the imagination be applied to the franchise value of this property. Gentlemen, that strikes at the very heart of the value of this property, and that is one of the reasons the court set it aside and that is one of the reasons that the bondholders and Mr. Belmont dared not go back to a new trial, because no such fantastic testimony would be admitted and no such far-fetched theory would be admitted and no such exaggerated value of franchise can possibly be presented to a new jury. For that reason I say that the value of the property is directly involved by the decision of the appellate court. The appellate court, after reviewing in detail Professor Johnson's testimony, pointing out how the jury was misled, concluded by saying: "We are therefore of the opinion that the evidence under consideration given by Professor Johnson was incompetent and should not have been received."

In order to establish the tolls charged by this company and apply the rate to the speculative tonnage estimated by the witness Johnson, the company called Mr. Calvin Austin, of the Eastern Steamship Co., and the court permitted to be introduced in evidence an alleged contract between the canal company and the Eastern Steamship Co. prepared in 1916 relative to tolls for the year 1917. The terms of this proposed contract were put in evidence over the objection of Government's counsel to establish the tolls charged and as bearing upon the useful or potential value of the canal property, based upon the estimated tonnage as far ahead as 1943. But this proposed contract, it was disclosed, had never been signed and accepted by the steamship company. The appellate court held that the steamship company having never sanctioned the proposed contract, the evidence was inadmissible and that the court erred in receiving it. Does that not go to the amount awarded by the jury? If this contract which was never executed, fixing a toll which was never received by the canal company and this toll is multiplied by tonnage which the canal company could never expect to get through its canal, and that amount was capitalized and added to the value of property, how could anyone say that the question of value did not enter into the decision of the appellate court?

I will not bore you with all the assignment of errors, but I do believe I should give you just one or more examples of the evidence offered in this case upon which I base my statement, that the award was exorbitant and not warranted by the testimony and that the ruling of the appellate court so held and laid down the law of the case in such unmistakable terms that a new trial could not come anywhere near the amount originally granted.

For instance, General Goethals, of Panama Canal fame, was called as an expert witness for the purpose of showing the value of the canal property. General Goethals was asked to state his opinion as to the value of the canal, giving due consideration to the different elements of value which has been submitted, some of it erroneously, and especially to the potential earning capacity of the canal as estimated by Professor Johnson. The testimony of General Goethals was admitted over the objection of the Government and the Government took an exception on the ground that the opinion of General Goethals was predicated upon the acceptance of Professor Johnson's figures as to the potential earning capacity of the canal. The general, on cross-examination, qualified his estimates of the future prospective earnings of the canal by stating his figures were not based entirely upon Professor Johnson's figures, and that he did not know the professor's figures until after he had decided on his own estimate. That qualification saved part of the general's testimony.

Then the company, at the trial, proceeded to prove the value on the theory of the cost of reproduction. The theory that has cost the people of the United States hundreds of millions of dollars in the last seven years and has put hundreds of millions of dollars into the pockets of holders of watered stock and bondholders, covering property that had to be taken by the Government, State, or municipalities for public use. It is this theory of reproduction, gentlemen, that has worked havoc with rates of public utilities and on this artificial, illogical theory of reproduction, accepted by the courts, the people of the United States are paying millions of dollars in excessive telephone, gas, electric, and transportation rates. I do not want to digress on that subject at this time. It would take too much of my time, gentlemen, to give you my per-

sonal experience as an official of the city of New York and what this theory of reproduction cost really means to the people of this country. To get back to our case, witnesses took the stand and testified as to the cost of the canal, not when it was built, but as to the cost to reproduce the canal in 1919.

Mr. GALLIVAN. Mr. Chairman, will the gentleman yield? Mr. LA GUARDIA. Yes.

Mr. GALLIVAN. The gentleman referred to the cost of reproduction and to the fact that the appellate court reversed the decision because certain evidence was admitted which should not have been admitted. What was the cost of reproduction as given by the experts for the canal owners?

Mr. LA GUARDIA. I will tell you in just a minute.

Mr. GALLIVAN. Was it not in the neighborhood of \$25,000,000?

Mr. LA GUARDIA. Yes; I am coming to that, I will say to the gentleman.

Mr. SANDERS of Indiana. The jury did not follow that valuation, and if it were resubmitted to the jury there is not any supposition that it will?

Mr. LA GUARDIA. If it is resubmitted to the jury in accordance with the opinion of the appellate court, the gentleman knows they can not put any such reproduction cost without qualification in evidence. They can not put any speculative profit in evidence and capitalize that. The gentleman knows that. The gentleman knows that the case must be tried in accordance with the law laid down by the appellate court.

Mr. MADDEN. Does the law, as a matter of fact, give anybody the right to compromise without a trial of the case? They have got to try this case before they can settle it?

Mr. LA GUARDIA. Yes; in accordance with the act of August, 1917. I believe, gentlemen, they do not want to go back to a trial of this case.

Mr. MADDEN. Then the case is not properly before us?

Mr. LA GUARDIA. Exactly. Now to continue—Patrick McGovern, a contractor, who duly qualified as an expert on the cost of construction, testified that in his estimation it would cost to reproduce the canal in 1919 \$27,980,729, and General Goethals, who likewise qualified as an expert, testified that in his opinion the cost of reproducing the canal in 1919 would be \$25,832,245, if the work was done by the Government by "force account," or \$30,716,081.75 if done by a private contractor, and if by a private corporation obliged to finance the project by floating stocks and bonds about \$40,000,000. Before this evidence was introduced, counsel for the Government requested the court not to admit the evidence unless it was supported by affirmative proof on the part of the canal company that the reproduction of the canal at present prices was a reasonable commercial proposition; that in the absence of such evidence the court should take judicial cognizance of the enormous increase in the cost of work of this sort between the time when the canal was built and the cost April 1, 1919. In answer to this the court said:

So the question before me is whether I can say as a matter of fact—and it is nothing but a question of fact—that in this case the circumstances are so peculiar that reproduction cost is of no significance. I am not prepared to do it.

The court erred in permitting the unqualified estimates on the cost of reproduction to be submitted to the jury.

Mr. TINCHER. Mr. Chairman, will the gentleman yield?

Mr. LA GUARDIA. Yes.

Mr. TINCHER. Then the only objection which the gentleman has to this bill is the amount involved?

Mr. LA GUARDIA. To the method. I think another jury ought to pass upon this in accordance with the opinion laid down by the appellate court.

Mr. TINCHER. Suppose their decision should be \$16,000,000?

Mr. LA GUARDIA. That is impossible on the evidence admissible in accordance with the law.

Mr. JACOBSTEIN. Mr. Chairman, will the gentleman yield?

Mr. LA GUARDIA. Yes.

Mr. JACOBSTEIN. The gentleman says it is here prematurely. The gentleman says he wants it submitted to the courts again and that he does not object to the price but to the procedure which brings the matter before us prematurely?

Mr. LA GUARDIA. I do object to the price. I venture to say that it would not be here if the award had not been reversed by the circuit court of appeals.

As I have stated before, the court's decision is, to my mind, the best decision on the subject of reproduction cost theory ever rendered by any court during all of these years that we have been troubled with inflated prices of material and labor caused by the war. I desire to call the attention of the gentle-

men to whom I have yielded in the course of these remarks, who are of the impression, first, that the reversal of the jury award was based upon technicalities and errors of law but had nothing to do with the amount awarded by the jury, and, second, to reiterate what I have said before, that the reversal takes the very foundation from the award of the jury, and that under no circumstances could a jury give anything like an award of \$16,000,000 if this case ever goes back for a new trial under the rules laid down in this opinion. Permit me to read to you what the court said on the theory of reproduction as testified by the witnesses McGovern and General Goethals:

The evidence which the canal company offered shows that reproduction prices as of April 1, 1919, were, due to war conditions, about 100 per cent above the actual cost of the canal; and the question is whether, under such circumstances, the court below should have declined to admit the evidence of reproduction cost, unless he was satisfied from evidence produced that a reasonable man would undertake to reproduce the canal at present prices as a commercial proposition, or whether the evidence should have been submitted to the jury, with instructions that they should not consider it on the question of market value, unless they were satisfied by a balance of probabilities that a reasonable man would undertake to reproduce the property at present prices, or whether the evidence should have been submitted to the jury, with the single instruction that they might consider it and allow it such weight as they thought it was entitled to, disparaged, as it might be, by proof introduced by the Government. (See *Colburn v. Groton*, 66 N. H. 151, 28 Atl. 95, 22 L. R. A. 763; *Jaques v. Chandler*, 73 N. H. 376, 382, 62 Atl. 713.)

While it is customary to admit evidence of reproduction cost as bearing upon the question of value, the rule seems to be subject to certain limitations. In the *Minnesota Rate* cases, 230 U. S. 352, 452; 33 Sup. Ct. 729, 761 (57 L. Ed. 1511, 48 L. R. A. (N. S.) 1151, Ann. Cas. 1916A, 18), Mr. Justice Hughes, speaking on this subject, said:

"The cost of reproduction method is of service in ascertaining the present value of the plant, when it is reasonably applied and when the cost of reproducing the property may be ascertained with a proper degree of certainty. But it should not justify the acceptance of results which depend upon mere conjecture."

In that case, the court thought, in view of the length of time which had elapsed since the railroad was built and the material development of property and changes in the community since that time, that to attempt to estimate what would be the actual cost of acquiring the right of way over which the railroad was located, on the assumption that the railroad was not there, was to indulge in mere speculation, and that such a method of ascertaining present value under the conditions shown should not be made use of. The question then is, if we assume that the cost of reproducing the canal may be ascertained with a proper degree of certainty, can the rule permitting the introduction of such evidence be reasonably applied in times of abnormal prices, in the absence of proof that a reasonably prudent man would purchase the property or undertake its construction at reproduction prices?

It seems to us that this is a necessary limitation upon the application or use of the rule when construction prices are abnormal, and that the court below either should have passed upon the preliminary question of fact himself, or submitted it to the jury, with instructions that they should not consider the evidence of reconstruction cost upon the question of value unless they were satisfied that a reasonably prudent man would purchase or undertake the construction of the property at such a figure. When the cost of reproduction is taken into consideration as evidence of value, if the original property has depreciated, proper deduction therefor should be made in the evidence submitted to the jury.

Then the court said:

As the evidence of McGovern and General Goethals was admitted generally and without limitation and without and deduction for depreciation, the court erred in so doing.

I believe the opinion of the court fully answers the doubt expressed by some of my colleagues and fully contradicts the theory upon which this bill has been sustained, namely, that a fair award was made by the jury and that the reversal had nothing to do with the amount and that a new trial would result in a jury awarding the same amount. Nothing could be further from the fact.

Gentlemen, there are several other assignment of errors considered and reviewed by the appellate court, with which I will not tire you. I believe that sufficient has been taken from the opinion of the circuit court of appeals which, when considered with the history of this canal and with the bill now before us, to convince us that we should not embark

at this time upon a policy to take over a project which would never have been offered to the Government had it been profitable and a financial success. A comparison to what has been said on the floor of this House on the necessity of this canal and its convenience to navigation, which I do not deny, but coupled with the admission that chips can not pay the toll and that it can not possibly be operated profitably unless it is a Government-operated canal, to be used free of charge, with the testimony of the experts at the trial as to the value of the franchise based upon annual profits on the future tonnage going through this canal and the future capitalized earnings, will convince not only this House but any jury that there is no likelihood of a \$16,000,000 award being repeated. It is our duty to vote down this bill and not establish a vicious and bad precedent.

Mr. OLIVER of Alabama. The gentleman believes that the courts will regard the act, which undertook to authorize condemnation proceedings and provided a suspension of the damages until the award is approved, as legal?

Mr. LAGUARDIA. Well, we must assume that our own act is legal. We can not do otherwise.

The CHAIRMAN. The time of the gentleman from New York has expired. Does the gentleman from Texas [Mr. RAYBURN] ask for further recognition at this time?

Mr. LAGUARDIA. Mr. Chairman, I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. RAYBURN. Mr. Chairman, I yield 15 minutes to the gentleman from Oklahoma [Mr. McKEOWN].

The CHAIRMAN. The gentleman from Oklahoma is recognized for 15 minutes.

Mr. McKEOWN. Mr. Chairman and gentlemen of the committee, I am very grateful to the distinguished gentleman from Texas [Mr. RAYBURN], who is kind enough to yield me this time; a gentleman who, on account of his modesty, never gets the full credit for the many splendid things he does in Congress.

The question here is, Shall the United States at this time embark on the matter of purchasing this canal? If I were in favor of buying this canal, I would not be in favor of buying it now, in the present condition of the Treasury of the United States and the present condition of the country. If I had been in favor of this proposition, I would favor postponing it until a date when the condition of the Treasury of the United States warranted the expenditure of the money and the condition of the people of the United States was such that the purchase would meet with their approval.

I have no fault to find with the improvement of rivers and harbors or in the reclamation of arid lands, wherever the same can be done without detriment to the great interests of the taxpayers of the United States. But whenever a bill lays so heavy a burden upon the Treasury as this bill does at this time, it is the duty of every Congressman, no matter what the interests are in his own district, to vote against a measure of this kind. Appeals are being made here to members of the Committee on Rivers and Harbors or Members affected by river and harbor legislation.

Fifteen days ago, and not exceeding that, the press of this country carried a statement from the Secretary of War to the effect that he wanted to sell the Warrior River barges, he wanted to sell the Panama Railroad, and he wanted to sell all the property of the United States that is used as if privately owned. Then you find this attempt to support this proposition because you may have something more beneficial than the Warrior River.

In the first place, there is watered stocks and bonds to the amount of over \$2,000,000. Gentlemen say they want facts, and that is what I am going to address myself to. A man named Flanagan paid out \$475,000 for a right of way and for lands for this canal, and he received in payment in securities, bonds, and stocks \$1,650,000, making a profit of \$1,175,000. Then we have here the cost of financing this proposition, which is a high-finance cost. We find it cost \$1,006,250 to finance it. And how was it financed? A corporation was organized for \$10,000 under the laws of the State of Maine. Then they organized a canal company for \$1,000,000. Then the company which was organized under the laws of the State of Maine for \$10,000 let a contract to another company organized as the Canal Construction Co. to dig the canal, and the result of it was they received \$12,000,000 in the way of \$6,000,000 in stock and \$6,000,000 in bonds.

Mr. NELSON of Wisconsin. Will the gentleman yield?

Mr. McKEOWN. I prefer to make my statement first.

Mr. NELSON of Wisconsin. I wish the gentleman would tell the House that Belmont is the main holder of the stocks and bonds.

Mr. WINSLOW. Is the gentleman willing to permit me to make a suggestion to him?

Mr. McKEOWN. I am willing to have corrections made if any are necessary.

Mr. WINSLOW. I think the gentleman is wrong in one thing. They are not selling the Government stocks except the bonds. They are selling the bonds. They are not selling the stock of the company, but they are selling the property, which is a very different matter.

Mr. McKEOWN. I will try to get at what the value of the property is. That property was bought in by the canal company, or the construction company made a deal with this \$10,000 corporation. They were to get \$6,000,000 in stock and \$6,000,000 in bonds. Now, what did they do? They bid it in and built it. How much money did they put in that proposition? They put in that proposition a little over \$6,000,000. They put in directly \$6,100,000. That is the amount of money they directly put into the project, and they put in indirectly \$142,650. The total amount invested was \$6,243,150. In all that total there are lawyers' fees and expenses. In the first place, there are legal expenses charged up to this project of \$122,960.28, and there are administration costs of \$260,462.76. The court said they wanted to charge up \$50,000 a year for six and a half years for services for financing the company.

Now, what are the facts? They say they had a contract with the Government. They never had any contract, and their records show they never had any contract. They tried to make a contract with the Government, and they tried to make a contract out of the proposition. What happened? Well, when Mr. Baker offered them every cent it was worth and made every allowance possible, he offered them a sum exceeding \$8,000,000. Then Price, Waterhouse & Co. made an investigation and an audit to see exactly how much money was invested in that canal. That company reported to Mr. Baker the exact amount. And as I tell you now, as shown by these auditors, there is not to exceed \$6,243,150 invested in the canal.

When they went into court to try the case, what did they try it on? Not on the basis of what was actually invested in the canal, but they went on to try the case upon the theory as to what such a canal as that ought to cost under the circumstances of the time and the occasion. But the court held that was not the proper measure of its value; that the proper measure of value of the property was its reasonable market value at the time the Government was going to take it over. Every man here knows that the measure of damages is the reasonable market value of the property when they take it over.

Now, let us see further. They say—and I am reading from the record—

Mr. MANSFIELD. Will the gentleman yield?

Mr. McKEOWN. In just a second.

Mr. MANSFIELD. Then the cost was not the market value?

Mr. McKEOWN. Well, they could not find any market value. If they can find a market value they can go now and establish it in the court.

Mr. GALLIVAN. Will the gentleman tell us where he gets the figures of six million and odd as the estimate from Price, Waterhouse & Co.?

Mr. McKEOWN. Well, I get them from the hearings, the direct cost as shown on page 83 of the hearings.

Mr. GALLIVAN. Up to what date?

Mr. McKEOWN. That was the direct cost up to the time that they were calling upon Secretary Baker to make an audit to see what he should offer for the property. That is on page 83 of the hearings.

Mr. GALLIVAN. I have figures from Price, Waterhouse & Co. as of the 31st of August, 1917, amounting to \$13,763,605.

Mr. McKEOWN. I will say to the gentleman that is just like the hearings show the difference between Secretary Baker's statement as to how much the canal was losing and Secretary Weeks's statement as to how much the canal was making. It is just that difference between them. It is just a matter of juggling figures.

Mr. GALLIVAN. This is a matter of investment and not of price.

Mr. McKEOWN. Yes; and that \$13,000,000 includes additional items. It includes, for instance, interest on \$6,000,000 of its outstanding bonds; discount on \$2,000,000 of notes issued to fund indebtedness; loss of interest on paid-in cash capital of construction company; income-tax payments; contingent claims—obligations incurred through negligence in sinking

a ship in the canal. They have us charged up with that. Then there is a difference in the fiscal account between the Government and the canal company. On one hand the canal company is claiming \$1,000,000 against the United States for damages for operating expenses, and, on the other hand, the Government is claiming some \$500,000 for claims against this company for money expended. In addition to that, when the Government of the United States was operating the canal, we went to work and spent there for dredging purposes, through an appropriation obtained through the Rivers and Harbors Committee of the House, something like \$150,000.

Mr. WINSLOW. Will the gentleman yield for information? That is all taken care of and wiped out in the proposed adjustment.

Mr. McKEOWN. If the contract goes through, then they are going to square the claim of the company against the claim of the Government.

Mr. WINSLOW. In section 1 you will find the whole matter is squared off.

Mr. McKEOWN. That is just what I am saying.

Mr. WINSLOW. You do not say it though; you say something else.

Mr. McKEOWN. You are going to square the claim of this company against the claim of the Government.

Here is the proposition as shown by the facts in this case. If you want to buy the canal as a coastal water project, all right, well and good; and I will say to you that the condition as to loss of life on the coast of Massachusetts can not appeal to any man stronger than it appeals to me. I realize what the women of that country give in the way of the lives of their husbands and sons to the sea in the operation of the business of our country; but, gentlemen, this is a proposition you are dealing with as the representatives of the taxpayers of the United States. The whole country is involved, and are you going to pay more for this piece of property than it is worth? Are you going to pay more for a defunct ditch up in Massachusetts than they have invested in it?

Mr. STEVENSON. Will the gentleman yield?

Mr. McKEOWN. Yes, sir.

Mr. STEVENSON. In reference to the destruction of life there, whether the Government buys the canal or not, the canal is now there, is it not, and is going to stay there?

Mr. McKEOWN. Of course. Here is what will happen and here is what you are buying: You are not buying just the canal as it stands. You are buying a project, on account of which you will have to deepen the canal to 35 or 40 feet, and that will entail a large expenditure. I think the gentleman was very conservative in his figures. The engineers say the cost will be \$9,000,000 and the gentleman from Massachusetts has said \$10,000,000, which is a fair proposition. You are going to make an investment, not of \$11,500,000, but you are going to make an investment of \$20,000,000 for this piece of property, because you can not operate it as it now stands without the risk of great damages on account of the current that comes into that canal which makes the vessels hard to steer in going through there, and they are continually having damages up there on account of the way the vessels in the canal operate on account of the tide.

If you decide to pay \$11,500,000 for it, you ought at least to reduce that sum by \$2,047,500 and take all the watered stock out of it, because these bondholders, in many instances, got the bonds, and the stock was thrown in. The record shows here that in some instances it was thrown in, and the company was organized at only \$10,000.

Mr. UNDERHILL. Will the gentleman yield?

Mr. McKEOWN. Yes, sir.

Mr. UNDERHILL. The stock is not worth a cent, never was, and never will be.

Mr. MADDEN. Neither are the bonds.

Mr. McKEOWN. The bonds are outstanding. The proposition was to make \$12,000,000 out of it. The stock is worth something here, because it takes \$6,000,000 of it to make up the \$12,000,000. If it is not worth anything, then cut this down to \$6,000,000 and you will come nearer having the price of the canal.

Mr. BYRNS of Tennessee. Does not the gentleman think that the fact that the stock is not worth anything is one reason why they want to sell it to the Government?

Mr. GALLIVAN. I wonder if that is the reason President Wilson asked that it be seized.

Mr. BYRNS of Tennessee. President Wilson took it over during the war.

Mr. GALLIVAN. President Wilson wrote a letter after the war asking that the property be seized.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. WINSLOW. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. MANSFIELD].

Mr. MANSFIELD. Mr. Chairman, I am not a member of the committee that reported this bill and am therefore not as familiar with the case as those who have conducted the hearings. I have, however, had some connection with this matter in previous years.

When the authorization was put in the rivers and harbors bill in 1917, I was in close touch with the action of the committee and of Congress at that time, and was an advocate of it. In the river and harbor bill, a year ago last September, this measure had been embraced in that bill as a Senate amendment. I happened to be one of the conferees on that bill and had some occasion to look into it more fully than I had done previously.

In this connection I want to answer a little more fully the question asked a while ago by the gentleman from New York [Mr. JACOBSTEIN]. What was the question he asked when the gentleman from Massachusetts [Mr. WINSLOW] was speaking?

Mr. O'CONNELL of Rhode Island. About the commercial value?

Mr. MANSFIELD. No; he asked why the matter was in the river and harbor bill, and also before the Committee on Interstate and Foreign Commerce at the same time.

Mr. WINSLOW. If the gentleman will suffer an interruption, I think he asked why the Senate put it in, and that turned out to be inaccurate information from me.

Mr. MANSFIELD. Yes. I will state that this project was not put in the bill by the House, but after the river and harbor bill had passed the House and had gone to the Senate. It was put in there as a Senate amendment, and at the time it was so placed in the river and harbor bill, this bill which we are now considering was with the Committee on Interstate and Foreign Commerce. No Member of this House was responsible for this project having been placed in the river and harbor bill at that time. It was done by the Senate, acting in accordance with its own rules and its own judgment.

The question was asked if the Senate did not put it in at a cost of \$9,000,000. That is an error. It was placed in the bill by the Senate at \$11,500,000, just the amount embraced in this bill. We in conference, acting arbitrarily, on our own responsibility, and without the knowledge or consent of the owners of this canal, decided that we would report the bill in conference at \$9,000,000, with the hope that the owners would accept it if it went through. They have never indicated that they would accept that amount, and no one, so far as I know, has any reason to believe that they would do so.

It is not a question of what this canal cost. It is not a question of what it would cost to reproduce it to-day. The question is, What is it worth to the American Nation as an instrument of commerce and for the purposes of war in the event that we should unfortunately be thrown into another war? [Applause.] What is its value to the American Nation to-day? That is the question. If you go back to what it cost before the war, General Beach, Chief of Engineers, stated to our committee three weeks ago that the cost of reproducing these things to-day is more than double what it was prior to the war. Everything pertaining to dredging and work upon the rivers and harbors and canals has more than doubled, according to the Chief of Engineers' testimony. Suppose the canal did cost only eight or nine million dollars before the war, you could not reproduce it to-day for \$20,000,000. I believe that is an absolute fact. Here you have an opportunity to secure it for \$11,500,000, which is perhaps not more than one-half of the cost of reproduction.

Now, is it worth that to the American Nation? If so, then we are letting a bargain slip if we let this opportunity go by.

Mr. LINEBERGER. Will the gentleman yield?

Mr. MANSFIELD. I will.

Mr. LINEBERGER. Is it not a fact that if this project was submitted to-day to the Committee on Rivers and Harbors, it would receive a favorable consideration as a new project?

Mr. MANSFIELD. I can not answer for any other member of the committee; but as for myself, I say that it would receive my favorable consideration.

Mr. ABERNETHY. The gentleman is the ranking Democratic member on that committee, is he not?

Mr. MANSFIELD. I am.

Mr. LINEBERGER. I have talked with many members of that committee, and I have not found a single man who is opposed to it.

Mr. MANSFIELD. I think the gentleman is correct in that. Now, gentlemen, this is not a party question; it is not a sectional question. It is a national question. The freights that go around Cape Cod and freights that go through this canal are not the property of any particular section of this country. Massachusetts is not the only State nor the only section in the United States that is interested in the great bulk of freight that goes up there, which consists principally of coal and cotton, and return cargoes of manufactured goods.

The country in which I live is the great cotton-producing section of the South. We produce in the South normally about 12,000,000 bales of cotton yearly. About one-third of that is exported, about one-third is manufactured in New England, and about one-third is manufactured in the Southern and Southeastern States. That cotton does not go from Texas, Alabama, and the other cotton States by rail to Massachusetts. It goes by boat. It goes by ship in the coastwise trade. It is bound to go through this canal, or it is bound to take the hazardous route around Cape Cod, one or the other.

Mr. UNDERHILL. Will the gentleman yield?

Mr. MANSFIELD. Yes.

Mr. UNDERHILL. There is one other alternative, and that is to lay off Martha's Vineyard for three or four weeks until the weather clears up.

Mr. MANSFIELD. Yes; and those fogs are very disastrous up there. Now, gentlemen, I want to read to you what a Democratic Cabinet officer said about this matter: Secretary Redfield in the Senate hearings in 1919 corrected a statement made by Senator SIMMONS, of North Carolina, in regard to the dangers of Cape Hatteras and called attention to the fact that Senator SIMMONS was mistaken in assuming that Cape Hatteras was the most dangerous section along the Atlantic coast. Secretary Redfield said that from 1834 to 1859, inclusive, along Cape Cod there had been 827 marine disasters, involving 4 steamers, 492 schooners, and various other vessels, and that the average annual loss was nearly \$600,000. According to the records of the United States Life Saving Service—and that was under his direction—during the 28 years from July 1, 1875, to May, 1903, there were 687 wrecks on and near Cape Cod, involving property valued at \$10,105,350. [Applause.]

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. RAYBURN. Mr. Chairman, I yield five minutes to the gentleman from Missouri [Mr. WOLFF].

Mr. WOLFF. Mr. Chairman and gentlemen of the House, this is one of the first occasions upon which I have attempted to address this membership. I have listened to the eloquent address and tribute to this canal by my friend from Texas [Mr. MANSFIELD], and I appreciate what he has said. But I want to say to you, my friends, that there are other things to be considered here. As I look over this House and I see the membership here who are continually hallooing "Economy," especially my colleague from Texas on this side, I think that this is one of the places where we should practice economy. [Applause.]

I know something about this little old canal that we are talking about over in Massachusetts. I know something about conditions over there, and I know that this is one of the grafts that some people are figuring on putting over on this Congress. That little old canal does not amount to anything. That little old canal involves, when it comes down to the real facts, a real investment of something like \$200,000. That is what it amounts to. But you are asking this great Government to invest \$11,500,000 to put over a steal. [Applause.] I want to say to the gentleman from Massachusetts and his committee—

Mr. DEAL. Will the gentleman yield?

Mr. WOLFF. I can not. I have only a few minutes. I want to say to the gentleman from Massachusetts, who heads that great committee of this House, that I have listened to him from the floor of this House tell us about certain things. I want to say to him that the other day there was a petition presented that asked to take away from his committee a bill that involved 110,000,000 people of the United States, which involved 4,000,000 working people of these United States, that he was not interested in at all. [Applause.] It involved 110,000,000 people of the United States, because I want to say to you that the transportation proposition of these United States is the biggest proposition that we have to deal with here to-day. That great committee refused to allow that bill to come out—

Mr. WINSLOW. Mr. Chairman, I ask that the gentleman be called to order.

Mr. WOLFF. The committee did not allow that bill to come out—

Mr. WINSLOW. I ask that the gentleman be called to order.

The CHAIRMAN. The gentleman from Missouri will proceed in order.

Mr. WOLFF. All right. I am talking about this bill. This I know is a steal, an absolute steal. It represents an absolute valuation of \$200,000, a steal of over \$11,300,000 for a few people in Massachusetts, and I want to say to you that I do not condone that steal.

Mr. DENISON. Mr. Chairman, I ask that the gentleman's words be taken down.

Mr. WOLFF. I have only five minutes, if the gentleman will yield me five minutes of his time—

Mr. BLANTON. Withdraw it.

Mr. WOLFF. No; that is a steal, and I refuse to withdraw it.

Mr. DENISON. Mr. Chairman, I ask that the words be taken down.

The CHAIRMAN. The gentleman from Missouri will suspend. The gentleman from Illinois demands that the gentleman's words be taken down. The Clerk will report the words.

Mr. WOLFF. I say this thing is a steal.

The CHAIRMAN. The gentleman will be seated until the question is decided.

Mr. WOLFF. All right; I will leave it to the House to say whether it is a steal or not. I say it is a steal.

The CHAIRMAN. The gentleman from Missouri will suspend and be seated until a decision is reached as to his words.

Mr. WOLFF. All right; I am listening now. Mr. Chairman, I make the point of order there is no quorum.

Mr. CHINDBLOM. Mr. Chairman, I make the point of order the gentleman has no right to the floor. He should be seated and maintain his seat.

Mr. SANDERS of Indiana. Mr. Chairman, a Member who has been called to order by another gentleman can not proceed until he is further recognized by the Chair?

The CHAIRMAN. No. The gentleman from Missouri will take his seat until the matter is disposed of.

Mr. WOLFF. Mr. Chairman, I withdraw my statement regarding the gentleman from Massachusetts [Mr. WINSLOW].

The CHAIRMAN. The gentleman from Missouri withdraws his statement.

Mr. DENISON. Mr. Chairman, then I withdraw the request.

Mr. BLANTON. Mr. Chairman, I ask unanimous consent that the gentleman from Missouri may be allowed to proceed.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. WOLFF. Mr. Chairman, I ask that I be allowed to proceed for five minutes.

Mr. SPROUL of Illinois. I object.

The CHAIRMAN. Objection is made.

Mr. RAYBURN. Mr. Chairman, two minutes of the gentleman's time has been taken by this discussion, and I yield two minutes to the gentleman.

The CHAIRMAN. The Chair will state to the gentleman from Texas that the time of the gentleman from Missouri had expired, and the Chair was about to so announce when the demand was made by the gentleman from Illinois, so that none of his time was taken up by the controversy. Does the gentleman from Texas yield further time to the gentleman from Missouri?

Mr. WINGO. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. WINGO. While the rule is very clear that whenever a Member uses language that is objected to he can not continue his remarks, that does not deprive him of his constitutional right to call for a quorum. I am only thinking of it as a precedent, not caring about this particular case.

The CHAIRMAN. The gentleman from Illinois has withdrawn his demand.

Mr. WINGO. Has the gentleman from Missouri withdrawn his point of no quorum?

The CHAIRMAN. I think so.

Mr. WOLFF. I have withdrawn my point, providing, Mr. Chairman—

The CHAIRMAN. The gentleman from Illinois having withdrawn his demand, the gentleman from Missouri has the right to make the point of no quorum.

The CHAIRMAN. Does the gentleman from Texas [Mr. RAYBURN] yield further time to the gentleman from Missouri?

Mr. WOLFF. I understand that I have two minutes more.

The CHAIRMAN. The gentleman from Texas has not yielded further time to the gentleman.

Mr. WOLFF. The gentleman from Texas yielded to me two additional minutes.

The CHAIRMAN. Did the gentleman from Texas yield two additional minutes?

Mr. RAYBURN. Yes; I yield to the gentleman two additional minutes.

The CHAIRMAN. The gentleman from Missouri is recognized for two minutes.

Mr. WOLFF. Mr. Chairman and gentlemen of the House, I do not want to be obnoxious. This is one of the few times that I have asked leave to occupy this floor.

I say to you candidly that while I have withdrawn my remarks regarding the gentleman from Massachusetts [Mr. WINSLOW], I really do not believe that this proposition should pass. I do not believe that the people of this great country of ours, when they are calling for economy, when the President of the party represented on that side of the House—your President—says that the Bursum bill should not pass—the bill that provides for and takes care of your old soldiers, of their widows and orphans; when your President says that we are looking to economy and vetoes that bill; when he is going to veto the bill that takes care of our ex-service men of this last war; when he is going to condemn an expenditure of money that takes care of the men who carried the guns and fought the battles of this country on an economy plea, God help you fellows the next time! I am not for any President who stands to veto a bill that would take away the rights of the men who carried the guns and fought the battles of this country.

The CHAIRMAN. The time of the gentleman from Missouri has again expired.

Mr. WOLFF. I would like to have a minute more. I ask unanimous consent to revise and extend my remarks in the RECORD.

Mr. SPROUL of Illinois. I object.

Mr. WOLFF. I am glad the gentleman objected. I am glad to hear from the gentleman.

Mr. RAYBURN. Mr. Chairman, I yield to the gentleman from Wisconsin [Mr. FREAR] 10 minutes.

The CHAIRMAN. The gentleman from Wisconsin is recognized for 10 minutes.

Mr. FREAR. Mr. Chairman and gentlemen of the House, for many years I have been opposed to the proposal to buy what is known as the Cape Cod Canal, and I would not be consistent unless I expressed my opposition to the bill now before us carrying \$11,500,000 with which to buy another worthless canal. It is in no way a personal matter. I admire the chairman of this committee and consider him a personal friend. I think he is one of the shrewdest men I have ever met. No other man could have made the speech he has made on this floor to-day and have secured the strength for this bill that he has worked so hard to win. I see the gentleman from Massachusetts now supported by his delegation, all favoring this bill. But it is outside of Massachusetts he has extended his appeal. He has covered all of Florida. Is there a gentleman from Florida present who does not understand that the intercoastal waterway of which Chairman WINSLOW so eloquently spoke is connected with this project? The Louisiana delegation has its projects, as he has well said. The gentleman has also mentioned Texas. Texas has its waterways also to remember. I was on the River and Harbor Committee for a number of years. I happen to know something about this Cape Cod Canal from my viewpoint, and it can rest on its own merits or demerits.

The Members from the Mississippi Valley are told about the barge canal that is in the mind of the chairman of the Interstate Commerce Committee. There is not a section of the country where your sympathies could be touched upon that has not been enlisted by his appeal to-day. All to help the Cape Cod Canal. I do not know, however, but that it is proper when you are trying to secure support for a desperate case with a bill like this. I have no prejudice personally to urge against it.

Mr. DEAL. Mr. Chairman, will the gentleman yield for a moment?

Mr. FREAR. Not at this time. I hope the gentleman will get time for himself.

I have followed this canal-purchase plan for years; years before it was taken up by the Government during the war. It was taken over in 1917 by the Government during the strenuous days of the war. We then took over everything—railroads, waterways, and everything. Practically all were released after the war, and that is no justification for this position in which we are sought to be placed to-day.

Here is a bill calling for an immediate expenditure reaching \$11,500,000. According to the statement of one of the strongest

Members we have ever had on this floor from Massachusetts—Joe Walsh, whom we all admired personally—when he was a Member he said in his judgment the expense will reach \$50,000,000 eventually. I do not think that is a wide guess when you consider how these projects grow, and that is apart from a heavy annual expense for maintenance. A few feet in width of a project below water enhances the cost enormously. This canal is 8 miles long. Already they say it has cost \$20,000,000, or would cost \$20,000,000 and more to reproduce it as it is, so that if we double the present size of the canal as proposed it means an everlasting continuing expense as well as a heavy initial expense when we build it to meet plans already proposed by the report. What are we going to get for this \$50,000,000 expenditure? What return do the taxpayers of the Government receive?

This property, according to the report of the Army engineers, is worth just \$2,500,000. I am quoting from the official report. For purposes of commerce—and I quote from the report, which has not been questioned, on page 22—the figure given is \$300,000 annual income now derived from tolls; only a moderate commerce on this 8-mile canal. Based on that, the engineers' report is as follows:

Capitalized at 4 per cent it corresponds to a capital investment of \$2,500,000. This amount, therefore, is apparently an upper limit of any justifiable expenditure by the United States to acquire public ownership for commercial purposes.

That is to say, \$2,500,000 is apparently an upper limit that the United States is justified in paying for this canal that is here held at \$11,500,000 and will cost \$50,000,000 eventually.

Not an ordinary figure but an "upper limit," a maximum "of any justifiable expenditure." So say the Government engineers.

The bill before us carries over four and one-half times the amount recommended by the Army engineers as the "upper limit."

"Justifiable" is the word the Army engineers use.

Two million five hundred thousand dollars is the upper limit of any justifiable expenditure by the United States to acquire public ownership for commercial purposes.

How can we in good conscience ignore that report if we at any time decide to buy the canal to help out these bondholders?

Now, if you are going to put it on the basis of war value, or if you expect to have war a few days from now and you need to run submarines through the canal, I concede it may have another value, but that is not considered in any appraisal given to us. These are the figures of the Army engineers who had no interest in misrepresenting, and I warn you gentlemen that this bill can not be defended.

It has been stated to us that this canal is needed to avoid dangers to life. Some 32 lives were lost in 10 years, according to the report by ships rounding Cape Cod. There are more people killed on the streets in Washington every year by automobiles by far than have lost their lives in 10 years around this cape. According to the statistics, the number is only 32 at Cape Cod in 10 years, and it runs nearly one a week in Washington, or nearer 500 killed or to be killed on the Capital City's streets in 10 years. I presume in Boston every year the number killed on the streets by automobiles is far greater than the 32 lost around the cape in 10 years.

The gentleman who preceded me spoke about the difficulty in getting consideration for the Barkley conciliation bill affecting several million railway men. I was one of those who supported the plan, when we signed a petition under the rule and secured 150 names to it, of bringing the bill out upon the floor.

I thought it was the right thing to do. I felt they had a right to be heard, and it was the only way we could get the bill out from the committee presided over by the gentleman from Massachusetts [Mr. WINSLOW]. I say to the House, Republicans and Democrats alike—because we have no political choice in this bill or ought not to have—is it not a sad commentary upon the House of Representatives when this bill is brought out for the expenditure of \$11,500,000 from the Treasury of the United States by the chairman of that same committee, and given consideration, and we can not get the Barkley bill out with a petition of 150 names, so as to have consideration? Make your own excuses and explanations, but that is the situation which confronts us now. Let the responsibility rest where it belongs.

The gentleman who was responsible for signing this so-called contract is the same man who had more to do with this canal purchase than anyone else when he was a Senator from Massachusetts—Senator Weeks. He was then in the Senate pressing

hard upon the Congress for the purchase of the canal. Presumably I might press what I believed to be a meritorious matter, if interested in one, from my own State, and my own State has the second largest harbor in the United States.

But when this offer was rejected by his predecessor, then Mr. Weeks took his pen and as Secretary of War signed an approval to tie up the Government to this proposition, as I have stated, to pay these stockholders \$11,500,000 out of the Government Treasury when the Army engineers of Secretary Weeks's own department had placed the highest limit to be paid at \$2,500,000, and it is dear at any price.

Now, say this bill is finally passed and it goes to the White House. The gentleman who preceded me made some significant remarks. I do not care to continue in the same vein at all, but I say to you gentlemen, suppose this bill is presented to the President, who has just declared we must have economy in this country when he vetoed the Bursum pension bill, should we not hesitate about passing a bill of this kind up to him for his signature, even if it is primarily a Massachusetts project? The Bursum bill was vetoed, but many of us are going to vote for that bill notwithstanding the veto if given opportunity to do so. The President raised the point that we have got to economize. How can he justify a Bursum bill veto and then sign a \$50,000,000 cost to the Government by this Cape Cod Canal bill.

Mr. NELSON of Wisconsin. The Bursum bill failed to-day by one vote in the Senate to carry over the veto.

Mr. FREAR. So the veto, according to the statement of my colleague, will stand. The Bursum bill, giving relief to men, women, and children, for service of Civil War veterans, now in need, was vetoed on the ground of economy. Sentiment moves us quite frequently, and we vote for such propositions, because we do not always stop on the ground of economy when rewarding patriotism, but that bill could and will be defended where this bill can not. Here is a proposition that is one of extravagance at any time, and \$11,500,000, running up to \$50,000,000, is a considerable amount to put through at this time, when the President warns the country of our need for economy. Another bill is going to be vetoed, we are informed. It is now in the hands of the President, passed overwhelmingly by both Houses. There can not be any question about it, because everybody tells us it will be vetoed. That is the so-called soldiers' bonus bill, and it is to be vetoed also on the ground of economy. Other bills are going to be vetoed if they succeed in getting through Congress—the postal employees' bill and others, we are informed—on the ground of economy. Yet we are asked to vote for \$11,500,000 at this time on a bill for which Army engineers recommended \$2,500,000 as the outside limit, to take over eleven millions from the Treasury when we are having so much bitter criticism aimed at Congress.

Congress is criticized to-day more than ever before in recent history for extravagance. Unjustly, I feel, at times. I do not believe the press has the right to make many unwarranted statements, but how can we justify at this time the Cape Cod Canal expenditure, reaching ultimately \$50,000,000, with the people asking for tax reduction and with so many important measures vetoed on the ground of economy? Yet to-day we are asked to vote for this indefensible proposition by the proponents of the bill, who enlist the support of pending river and harbor projects all over the country. Some of my friends would like to have very many waterways adopted. They have projects that may rest for passage or defeat with their support of the Cape Cod Canal bill. We are asked to adopt a proposition here which accommodates only 20 per cent of the water traffic around Cape Cod to-day. Eighty per cent goes outside the cape by the same route it has gone for four centuries and will go hereafter, whether the Government buys this canal or not. Before we buy this canal we may well hesitate. The reasons are obvious.

A legal question has been discussed by the gentleman from New York [Mr. LaGUARDIA], and his suggestions as to the legal rights seem to be very well grounded. We have no right at this time, based upon the record, to take the matter away from the court. This proposition should be decided by the court before any action is taken here. Later we are required to affirm or reject the court's decision. By what right do we act now?

I regret very much that this matter has ever been brought up, and I may want to offer an amendment at the proper time.

A gentleman came to me yesterday very much interested and said, "Will Congress pursue the dog-in-the-manger attitude by refusing to permit this thing to be settled?" I said, "No; not for a moment. Let us get through with it. Let us quit-claim all interest we have, if any, in the project and allow the parties to present their claims, if any, before the Claims Committee and give them back this tremendously valuable property

for which they ask \$11,500,000, but which the Board of Engineers says is worth only \$2,500,000," at an outside figure to the Government. The canal owners ask us to ratify Secretary Weeks's offer made in their behalf.

On what ground are we going to justify this tremendous expense when taking the money out of the Treasury at this time?

Mr. DEAL. Will the gentleman yield now?

Mr. FREAR. Yes.

Mr. DEAL. Does the gentleman favor the passage of the McNary-Haugen bill?

Mr. FREAR. I do, if it is the only agricultural aid bill offered, for this reason—

Mr. DEAL. Carrying \$200,000,000.

Mr. FREAR. No; it will not carry anything like that amount. I do favor some proposal to aid farmers of the country for this reason: Men are leaving their farms and—if the Chairman will excuse me for answering the question, which is not related to the canal subject—men are leaving their farms all over the West, all over the western country because they are buying in a protected market and they are selling their surplus goods, which fix the price, in a free market and they can not remain on the farm. [Applause.]

Now, that is all there is to it. It is not a question of sentiment, it is a question of necessity, and, my friend, if you knew how some of these people are situated—

Mr. DEAL. That applies more particularly—

Mr. FREAR. There are over 100 banks in one State I know that have failed because every man who leaves the farm takes with him his obligations to the bank, and takes with him the local business, and everything becomes wiped out in some of the counties. Many States are in distress and are pleading for relief.

Mr. DEAL. I do not doubt the accuracy of the gentleman's statement.

Mr. FREAR. That has nothing to do with this canal project, but I would give the farmers relief when the emergency is so great; immediately, if possible to do so. I would give anyone such relief as was necessary, but there is no immediate relief warranted in this canal project for anyone, because for four centuries these people have been in the same situation they are in to-day, sailing around the cape as they will do for centuries to come, and this canal is dear at any price.

Mr. DEAL. But the relief which the gentleman wishes to give comes more particularly from the section from which he comes.

Mr. FREAR. No; not particularly; because the people where I live are just as well to do as the people of Virginia and just as able to take care of themselves. Theirs is a dairy country; and, in fact, they raise as much tobacco, possibly, as the people in the State of the gentleman from Virginia, or very nearly so. They are a fairly prosperous people, if any agricultural districts are prosperous to-day, but disaster and bankruptcy to thousands of farmers in other parts of the country are felt by all and injure all.

Mr. DEAL. Then they do not need the \$200,000,000.

Mr. FREAR. I am speaking here for the people of the whole United States, not for any locality, when urging some form of farm relief, and speaking for the Government and for the Treasury of the United States when deploring this Treasury raid of \$11,500,000 to buy a useless canal, and I am not speaking for Virginia or for Wisconsin or for any individual State.

Mr. DEAL. Virginia is not asking for it.

Mr. FREAR. I refuse to yield any further.

I feel this question is too important and too big for the Members of Congress to view from any local point of view, and for that reason I stand here to express my opposition to a bill that in my judgment ought to be defeated.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The gentleman yields back one minute.

Mr. RAYBURN. Mr. Chairman, I yield 10 minutes to the gentleman from Georgia [Mr. LARSEN].

Mr. LARSEN of Georgia. Mr. Chairman and gentleman of the committee, we have heard a great deal to-day from the Republican side of the House as to the action taken by the Democratic Secretary of War, Baker, regarding the purchase of the Cape Cod Canal. It is rather amusing to note the great confidence which the gentlemen on that side of the House now seem to have in Mr. Baker. Contrast, if you please, the great confidence they display at this time with that which they manifested in days that have gone.

I had the privilege of serving in the House with Hon. Joseph Walsh, of Massachusetts, a Republican, who then represented the district in which Cape Cod Canal is located. He was one of the greatest statesmen and one of the most brilliant men that

Massachusetts has furnished this assembly within recent years. I want to offer his testimony, delivered on the floor of the House, against the testimony offered by the gentleman from Massachusetts to-day. I want you to know what he thought and said concerning this proposition when it first came before the House. This was back in 1917, when the House had under consideration the conference report on the rivers and harbors appropriation. The gentleman from North Carolina [Mr. SMALL], then chairman of the committee, speaking on the measure, was interrupted by Judge Walsh, who said:

I should like to ask the chairman of the committee why it is that in the Cape Cod Canal item it requires three Cabinet officers to enter into negotiations for the purchase of that ditch, while in the negotiations for the purchase of the Chesapeake & Delaware Canal, the matter is confined to the Secretary of War alone.

Mind you, they call it a canal to-day.

Mr. SMALL said:

In answer to the gentleman I would say that, in accordance with the general precedents it should have been confined to the Secretary of War alone.

Mr. Walsh, again speaking, said:

Does the gentleman mean to say that the House Committee on Rivers and Harbors merely relied upon the two Senators from Massachusetts in putting this into the bill?

Mind you, gentlemen, when the matter was put in at that time, there had been no hearing on it. The then Senator Weeks, now Secretary of War, had simply introduced a bill in the Senate authorizing the purchase of this ditch, as it was then denominated by Judge Walsh, and without any hearing the Senate permitted him to tack it on as a rider.

The gentleman from North Carolina, referring to Judge Walsh, said:

May I ask the gentleman, in reply, is he opposed to this item in the conference report?

Referring to the canal matter.

Mr. Walsh replied:

I have voted against the bill. I expect to vote to recommit it, and I also expect to vote against it in the conference report.

The gentleman from North Carolina then said, "To this particular item?" And Judge Walsh replied:

I am opposed to this item because it will involve an expenditure of over \$50,000,000 before this Government gets any benefit from it.

The RECORD shows "applause." It probably came from the Republican side.

Mr. DENISON. Will the gentleman yield?

Mr. LARSEN of Georgia. Yes.

Mr. DENISON. I would like to state that the gentleman from Massachusetts, Mr. Walsh, on further investigation of this matter changed his views entirely and was in favor of it.

Mr. LARSEN of Georgia. I heard the gentleman from Massachusetts at a later day. He represented the district in which this "ditch" was then located. He was then the Representative, and of course we understand that when the pressure was put upon him by his constituents and influential authorities, he was not so insistent, but I do not believe that any man, even the distinguished gentleman from Illinois, able as he is, can point to a single sentence uttered by Mr. Walsh which will show that he has reversed his opinion. He simply permitted or tolerated without denouncing it as he did in the first instance.

The gentleman from Texas, advocating the passage of the bill, referred to it as a great military proposition. He is an able Representative and a fine gentleman, but I imagine he is as poor a soldier as the balance of us. At any rate, I would rather have the opinion of some man engaged in that particular line of work, and I quote from those in such service. I quote from a letter from the General Board of the Navy, dated August 19, 1916. It is found in section 17 of the report of the Board of Engineers for Rivers and Harbors, on page 222 of the hearings, and is as follows:

The expense of rendering the Cape Cod Canal available to all types of naval vessels not only requires a considerable expenditure for enlarging it but also additional continuing expense for the maintenance of such increased size, and an even greater expenditure for the defenses that should be given an important military waterway at a salient of our coast. Such large additional expenditures are not warranted by the apparent increased military advantages of having the canal available for the passage of ships requiring a depth of over 25 feet at mean low water.

The board has no doubt of the advantages of a sufficient depth and width to permit the passage of battleships. It adheres, however, to its previous expressions to the effect that military necessity is not sufficiently great to warrant the department in urging the expenditure of public funds to that end.

Ah, gentlemen, is there anyone who in the face of this report, made by the War Department, can urge the proposition as a military necessity? You can not justify it in that way nor in any other way.

Now, let us see what happened before the present Secretary of War came into the position he now holds. First of all the Government employed experts to investigate the matter. Price, Waterhouse & Co., of New York were employed, and they found that the total cost of the canal was \$8,243,171.01. By adding interest, taxes, and so forth, they found that, with all things considered, it did not exceed \$8,265,743.04. Upon these figures and by this report, made and paid for at public expense, the then Secretary of War, Mr. Baker, recommended that the canal be purchased at \$8,200,000. But, mark you, when Newton D. Baker went out of office and was succeeded by the present distinguished gentleman, who was then Senator from Massachusetts, the matter is again brought before Congress and we are asked to authorize purchase at \$11,500,000.

It is the same canal for which Secretary Baker would give only \$8,200,000. It is the same canal which cost \$6,243,171.01 at most, including interest, taxes, and so forth, \$8,265,743.04. It is no better now than it was then. We are asked to purchase it because private individuals who control it are unable to make it a paying investment. We are asked to purchase it because August Belmont and his associates who promoted its construction were mistaken as to the amount of revenue it would yield. Unless the Government buys it at a price far in excess of its cost or worth promoters will not receive enormous sums, and the bondholders in Massachusetts and on Wall Street, in New York, may lose a few million dollars.

The report of the Board of Engineers says the canal is worthless unless it is made a lock canal, and estimates this cost at \$16,000,000. Then they say it must be given a depth of 30 feet and a width of 200 feet. So you see Mr. Walsh was not far from right when he said the ditch would cost \$50,000,000 before this Government gets any benefit from it.

The Government has no use for the canal. The report of the engineers shows this fact. If we get it under the provisions of this bill, we will pay far more than it cost or is worth. You must remember that the valuation placed upon it by the court in the condemnation proceeding was set aside and the judgment reversed because the method of valuation was erroneous and because it was not based upon costs of construction.

The President has recently vetoed the Bursum bill and refused to give relief to the Spanish-American War veterans, who are in need and have suffered great discrimination, because of claim of desire to economize in the expenditure of Government funds. Let us see what he does with this bill should it come before him.

We do not need the property, the sale is not at a reasonable price, and I can not agree to levy such great additional tax burden upon the country, especially at this time.

Mr. WINSLOW. Mr. Chairman, I yield five minutes to the gentleman from Massachusetts [Mr. UNDERHILL].

Mr. UNDERHILL. Mr. Chairman, when I came to Congress I had some definite ideas in regard to appropriations from the Public Treasury. My experience has shown me that I was pretty nearly all wrong in those ideas. The first illustration of that fact was brought particularly to my attention when I was appointed on a special committee to go down into the lower Mississippi Valley when the Mississippi River was at flood. It had always seemed to me that the people of the States should take care of their own problems. I found a mighty river flowing by and through the States of Mississippi, Arkansas, Missouri, and Louisiana, with which they could not cope. They had no jurisdiction whatever over the source from which the torrent of water came, exceeding in volume that of Niagara Falls, and which was destroying the property of the people there. The source was from 35 other States. And so I learned my first lesson in national problems. I came back here to Congress, made a report, and that report carried an appropriation exceeding \$40,000,000 to relieve the situation of the people in the States which were suffering from the flood. Since that time it has been my privilege and pleasure to travel abroad throughout the length and breadth of many States in this great country and view their problems.

I have seen irrigation projects; I have seen water-power projects; I have seen harbor projects; I have seen improvements on public works and on road construction in which the

Government was interested and to which the Government appropriated various sums of money for the benefit of all the people of the country. Now, there is not a drop of water from Massachusetts that goes into the Mississippi River, not a drop, but it was my pleasure, and I believe it was only justice to the people of Mississippi when every Member from Massachusetts voted for something to protect the people of the Mississippi Valley. So it has been with many of these projects. Now, we are not asking this for Massachusetts. We consider it a national problem. What is going to be the result? We will pay this money back to the Government in a little while with the trade that will come between Canada, New England, Texas, Louisiana, Alabama, Georgia, and Virginia. A line of steamers will be established and put in operation almost as soon as the bill becomes a law. Just at this season of the year when all the Northern States are suffering for green stuff a line of steamers can start from Galveston, pick up fruit and vegetables there, come along to New Orleans, Mobile, Savannah, and Norfolk, bring those things we crave to our doors and get a very good price for them, and in return—

Mr. CONNERY. Will the gentleman yield?

Mr. MADDEN. Will the gentleman yield?

Mr. CONNERY. I will yield to the gentleman from Illinois.

Mr. MADDEN. I suppose they will come up all the way by the inside route.

Mr. UNDERHILL. I trust so, in time.

There is another proposition; we will drop the vegetable proposition; we will take cotton. Cotton is a staple article of production in all of the States I have mentioned.

I realize the importance of the cotton crop in the South and its manufacture into the finished product up in New England. How are you shipping it now? By freight; and you are paying twice, three, and four times by rail that you would by water. It is a much cheaper proposition to ship your raw product by water, and you will get a better price for your cotton, and you will pay a lower price for your manufactured goods in return.

The total traffic passing through the canal during 1923 was as follows:

Number of vessels.....	6,771
Gross tonnage of these vessels..... tons.....	4,051,869
Cargo carried..... do.....	1,389,457
Passengers carried through canal.....	116,309

It will be seen from the tonnage of the vessels using the canal that most of them are small. This is accounted for by the fact that the canal is not capable of handling large vessels, and it is questioned to-day whether it is a safe channel for vessels more, if anything, over 18 feet draft, brought about by filling in from the banks, tidal causes, and so forth.

In report No. 1016, May 18, 1922, made by the Committee on Interstate and Foreign Commerce of the House of Representatives upon the purchase of the Cape Cod Canal property, the following estimate of traffic was made:

The probable increase of traffic passing Cape Cod, either going around the Cape or going through the canal, for the decade between 1920 and 1930 will be approximately 21 per cent, and for the succeeding decade 18 per cent. Applying these percentages, the probable traffic passing Cape Cod in 1930 will be between thirty and thirty-five million gross tons, and in 1940 between thirty-five and forty million gross tons. These estimates are based upon statistics covering growth of population and production in New England over a period as far back as 1890, but principally for the years between 1897 and 1916, inclusive.

So you see the great commercial value this will be to the whole country.

Mr. McKEOWN. Will the gentleman yield?

Mr. UNDERHILL. I can not yield. I want to come back to this proposition. Massachusetts is not asking a dollar for irrigation purposes, Massachusetts is not asking a dollar for the development of her white coal resources; Massachusetts is not asking for a dollar for flood control or river development, for road building—

The CHAIRMAN. The time of the gentleman has expired.

Mr. UNDERHILL. May I have one minute more?

Mr. WINSLOW. I yield the gentleman one more minute.

Mr. UNDERHILL. As a member of the Flood Control Committee I recently voted to report out of that committee 18 bills for investigation and survey of streams in States, every one of them west of the Mississippi River, every one of them for the benefit of the people far from the State I represent in part. Now I am not pleading for Massachusetts any more than I am for Texas or Louisiana or Alabama, Georgia, Virginia, or any other State. I am pleading more for the proposition which I believe to be a national benefit in the first place, to be a business proposition which will pay for itself in time, and I am

pleading for it most of all as a humanitarian proposition. I know the people down on the cape. I have lived among them a part of the year for 25 years, I have seen the widows and the fatherless children, and I know their sacrifices and sorrows of the past and their hope for the future. They are giving their work and their lives down through that section in order that the rest of you may have those things that you can not get without transportation by sea. I could make a plea for those people who go down to the sea in ships which would stir your hearts had I time to go into details, and you would vote for the bill if it cost twice as much. [Applause.]

The CHAIRMAN. The time of the gentleman has again expired.

Mr. WINSLOW. I yield five minutes to the gentleman from Missouri [Mr. NEWTON].

Mr. NEWTON of Missouri. Mr. Chairman and gentlemen, I presume I represent a constituency as little concerned about Cape Cod as any part of the country. But I regard this as a part of one of the projects of a great national policy. I do not think that in passing upon matters of this kind we ought to allow sectionalism to interfere with our judgment. I think this is a meritorious project. I think it unpardonable to-day for the United States to refuse to own a project of this character. There is a great deal of commerce in Boston, in Portland, Me., and in this section of the country in the northern extremity of the eastern border of the United States that necessarily must find a market in the interior or southern part of the country. This canal is a part of a great highway along our seaboard and crosses one of nature's barriers that extends out into the sea. When the weather is rough the ships have to go miles out into the ocean in order to pass around Cape Cod. It is quite dangerous and hazardous. There is no question that commerce will be greatly benefited and that products will be sold cheaper to the consumer that are manufactured in the New England States if they are permitted to make this short cut along the shore line in order to get more directly and quickly to the markets.

Mr. McKEOWN. Will the gentleman yield?

Mr. NEWTON of Missouri. I will.

Mr. McKEOWN. Does the gentleman know of any product going through that canal we get a reduction on?

Mr. NEWTON of Missouri. Yes; I know there are products that go through that canal, such as cotton goods, shoes, and many other products, that are manufactured in Boston and that section of the country. Some of them come in competition with goods manufactured in the Middle West; and if I were going to look at this project from a selfish standpoint, I would want to cut off that competition. But I think that we ought to look at these things from a national standpoint. I think this Government ought to own that short-route canal.

New England has got to get her coal in large measure from the Pittsburgh district. That coal can be loaded onto barges and taken up through this short cut with perfect safety, with a much shorter haul and at a cheaper rate.

They talk about using the railways from Boston to New York. What are the facts? The average railway freight rate of this country last year, according to the records of the Interstate Commerce Commission, was 10.78 mills per ton-mile, while the average ocean rate was 3 mills per ton-mile. There can not be any excuse for not trying to conserve the cost of transportation in the way that would be afforded in this particular case. We improved the Monongahela River from Pittsburgh upstream at an expense of \$20,000,000. The coal that went down the Monongahela River to Pittsburgh from the upper reach of the river last year saved to that city in freights something like \$27,000,000. They haul coal at 15 cents per ton, while the railroads charge 80 cents per ton.

We are trying to build up the merchant marine of this country. We have spent over \$2,000,000,000; and here we have a barrier, forcing our ships to go through dangerous shoals, where there are numerous rocks strewn in the way, and far out to sea, going from port to port on our coast. There is no question but that the Government ought to own this canal and will own it eventually and will make it toll free. I can not see any reason why we should not own it now.

They say the price is too high. I am not sure about that. We might try to get it cheaper if we can. But the evidence indicates that those people have paid out \$14,000,000 in the construction of this canal; that \$16,000,000 would be needed to reproduce the work; and that a jury, hearing evidence for more than six weeks, hearing experts on both sides, where the Government was represented by able counsel, brought in a verdict fixing its value at \$16,801,201. I think the project ought to be adopted. [Applause.]

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. WINSLOW. Mr. Chairman, how much time remains?

The CHAIRMAN. The gentleman from Massachusetts has 18 minutes remaining, and the gentleman from Texas [Mr. RAYBURN] has 29 minutes remaining.

Mr. RAYBURN. Mr. Chairman, I yield five minutes to the gentleman from Texas [Mr. BLANTON].

The CHAIRMAN. The gentleman from Texas is recognized for five minutes.

Mr. BLANTON. Mr. Chairman, as an expert disciple of Izaak Walton, the distinguished chairman of this committee [Mr. WINSLOW] appears in a new rôle. There is not in any of your districts finer speckled-bass fishing than there is in mine. If he were to come down to my district this summer and use the same judgment he has exhibited here to-day in selecting his bait and in casting his hook, I doubt whether there would be a speckled bass left in my district. He would catch them all.

There is not another man in this House who is abler or more genial, more courteous, than that gentleman. He is a bully good fellow. That is what he is. And if he would reduce the expense of this project down to the \$8,250,000, which was offered to Mr. Secretary of War Baker, I would vote for his bill. But he will not do that, and he is going to have to do that in order to get my vote. Of course, he will not have it.

Mr. DENISON. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. I regret I can not. I have only five minutes.

Now they say there is a moral obligation on the part of this Congress to uphold this contract. If there were, I would support the bill. But there is not. Mr. Weeks, when Senator, put this matter as a rider on an appropriation bill in the Senate. The gentleman from Massachusetts [Mr. WINSLOW] suggested we did not have anybody able enough to draw such an amendment. That may be so. But we had a President and a Cabinet and an administration that was able enough to win the war with your help.

Mr. WINSLOW. And they were all for this project.

Mr. BLANTON. They were all for this project; at \$8,250,000, but not at \$11,500,000; and it was a Republican who put it on as a rider over in the Senate. President Wilson instructed the Secretary of War to acquire this property, and if he could not, to have it condemned by the Department of Justice, and the action taken to be ratified by Congress.

He offered \$8,250,000. That was refused, and then he turned it over to the Department of Justice. He thereby lost jurisdiction over it when he did that. The War Department had no more jurisdiction over it after Secretary Baker turned it over to the Department of Justice, and the contract that Mr. Weeks as Secretary of War afterwards entered into, after he became a cabinet officer and had left the Senate, was executed without any authority of law whatever, and is in no way binding on Congress. There is no sort of question about that. Who will contend that he did have authority? It had passed out of his hands.

Let me say this: After the Government buys this canal, we are going to have to spend \$10,000,000 at least to put this canal in order. There is no question about that.

Mr. MADDEN. Over \$20,000,000.

Mr. BLANTON. But the chairman [Mr. WINSLOW], the distinguished fisherman, says \$10,000,000.

Mr. WINSLOW. I challenge anybody to show that it will cost more than \$10,000,000.

Mr. BLANTON. I do not believe that the gentleman would try to mislead us. I am willing to accept his statement. But it will cost us \$10,000,000 more, he says, to put this in order. That makes \$21,500,000 that we are putting into this project, if you please. I am not willing to spend that much money in it. I hope the gentleman will admit an amendment to reduce this total purchase price to \$8,250,000. That is as much as we ought to pay for it. [Applause.]

Mr. WINSLOW. Mr. Chairman, I yield five minutes to the gentleman from Massachusetts [Mr. GALLIVAN].

The CHAIRMAN. The gentleman from Massachusetts is recognized for five minutes.

Mr. GALLIVAN. Mr. Chairman, for the life of me I can not see any occasion in the world for anybody having a spasm over this bill. I want the attention for the moment of the brilliant young barrister from New York [Mr. LaGUARDIA], who read to us a portion of the decision of the appellate court.

I want to go this far with this young lawyer from New York. Suppose that this is a compromise of a lawsuit. Is he the kind of a lawyer who is unwilling to settle outside of court when he

can get a much more reasonable figure outside of court than he gets from a jury? Why, gentlemen, this is the affirmation of a contract entered into, not by one Secretary, may I say to my friend from Texas [Mr. BLANTON], but of a contract entered into by three Secretaries of this administration; and they are appointed by an act of Congress to negotiate for the purchase of this canal; do not overlook that fact.

Do not forget, Mr. Chairman, that the jury rendered a verdict of \$16,800,000 upon the condemnation proceedings. By the contract I have referred to the Secretaries have been able to agree to the payment of but \$5,500,000 in cash.

Mr. MANSFIELD. Will the gentleman yield?

Mr. GALLIVAN. Yes.

Mr. MANSFIELD. And the gentleman from New York [Mr. LaGUARDIA] intimated that he would rather leave it to a Massachusetts jury than to this Congress to fix the price, did he not?

Mr. GALLIVAN. Well, I do not know but what I might myself if I were one of the canal owners.

Mr. BLANTON. If you would put Joe Walsh on it, I would be willing, too.

Mr. GALLIVAN. Not alone has the verdict been reduced by more than \$5,000,000, but the Government has compelled the owners to deed 1,000 acres of land not included in the original condemnation proceedings, and these properties are worth in the vicinity of \$100,000. They would not get this treatment from a jury.

Yes, there is a humane side to it. And whether the Cape Cod Canal has its inlet or outlet in Massachusetts or elsewhere I am one of those who believe that this great project should be under the control of Uncle Sam.

Why, Mr. Chairman, there is no place on the entire Atlantic coast line more dreaded by the mariner than that portion embracing Cape Cod. This is due primarily to severe storms, winds, strong currents, shoals, and thick fogs which almost constantly prevail there. It is one of the most treacherous coasts in the world. Ships not routed through the canal are frequently tied up in Vineyard Haven and other harbors anywhere from one day to two weeks, lying at anchor waiting for a chance to get over the shoals. The records show over 1,000 marine disasters to ships going around the cape between 1880 and 1903. From July 1, 1907, to June 30, 1917, a period of 10 years, casualties to vessels passing Cape Cod, including Nantucket Shoals, Nantucket Sound, Marthas Vineyard, and Vineyard Sound, involved vessels to the number of 326 of a total tonnage of 190,105 and of property valued at \$12,761,920. Of this total property involved \$1,653,770 in value was lost. During the same period the lives of 3,900 persons on board these vessels were imperiled, and the records show that 32 lives were lost.

The Government has long recognized the extreme danger to navigation in this locality. For many years it has maintained 13 life-saving stations between Monomy Point and Wood End, Cape Cod, a distance of about 40 miles.

During the fiscal year ended June 30, 1920, the assistance rendered by United States Coast Guard steamers and stations from Cuttyhunk to Provincetown involved the saving of life and property, and shows the value of vessels in jeopardy to have been \$16,477,000.

Mr. MADDEN. Will the gentleman yield?

Mr. GALLIVAN. I always yield to my respected chairman.

Mr. MADDEN. I wonder why the State of Massachusetts did not carry out its contract and buy this canal instead of turning it over to the Government of the United States to buy?

Mr. GALLIVAN. Because the Government, away back in the days of George Washington, wanted the canal there. He was the first man who wanted the Government to have a canal there, and the last President of the United States who issued orders was the lamented Woodrow Wilson, when he instructed his Secretary of War, Mr. Baker, to begin condemnation proceedings at once.

Mr. MADDEN. But the gentleman from Massachusetts knows that there was a contract between the State of Massachusetts and the owners of this canal under which the State was to buy it.

Mr. GALLIVAN. Well, if there was such a contract—and I do not know it—I repeat what I said a moment ago, that a great waterway like this, which means so much to humanity, should be owned by the Federal Government, whether it be in Massachusetts, in Texas, in California, or on the coast of the State of Washington. [Applause.]

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. GALLIVAN. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. The gentleman from Massachusetts asks unanimous consent to extend his remarks in the RECORD. Is there objection? [After a pause.] The Chair hears none.

Mr. UNDERHILL. Mr. Chairman, I make the same request.

The CHAIRMAN. The gentleman from Massachusetts asks unanimous consent to extend his remarks in the RECORD. Is there objection? [After a pause.] The Chair hears none.

Mr. RAYBURN. Mr. Chairman, I yield 10 minutes to the gentleman from Nebraska [Mr. HOWARD].

The CHAIRMAN. The gentleman from Nebraska is recognized for 10 minutes. [Applause.]

Mr. HOWARD of Nebraska. Mr. Chairman and gentlemen of the committee, I appear not for the purpose of praising nor of condemning the proposition now before the House in toto. I do sincerely hope that some day our Government may own and operate a canal in the place designated under the pending legislation.

My object for the moment is to direct attention to the general situation in the country, and whether the voting of these millions of dollars for this improvement is more to be desired than the voting of other millions to relieve distress in other parts of our country.

If I were inclined to deal with a serious subject facetiously—which I am not—I might dismiss it all by saying to you gentlemen—and particularly to my magnificent friend from Massachusetts, in charge of the bill—that I like codfish, and I am for them generally; but for the moment I prefer first to cater to the needs of the cornfield canaries. But I do not want to discuss it facetiously. I want to call your attention ever so earnestly, my friends, on both sides—and I always try to speak to both sides rather than to one side—that we have been assembled in Congress for many months. Every one of us, I think, came here with the earnest understanding that the greatest need of the hour in a legislative way was something for the relief of agriculture. We have accomplished nothing; we have appropriated not a dollar to aid agriculture. Oh, it is true we did create a lot of new official positions, with some kind of a French name attached to them, and a comfortable salary, also. We did that in the name of helping agriculture; but aside from that I know of nothing we have done.

I am interested in the humane proposition here. I went over this map with my friends from Massachusetts and I asked them the meaning of all these little black spots on the map.

They told me that each of the black spots represents a locality in the waters where some ship went down to death. That is sad. But, my friends, if I were desirous of bringing tears to your eyes in this moment I could point to 10 little black spots all over the agricultural zone for every one that you have here, and I could tell you that every black spot marked the failure of somebody on an American farm.

Mr. MacLAFFERTY. Will the gentleman yield?

Mr. HOWARD of Nebraska. Yes.

Mr. MacLAFFERTY. Has the gentleman a remedy to propose?

Mr. HOWARD of Nebraska. Yes.

Mr. COLE of Iowa. What is it?

Mr. HOWARD of Nebraska. For the agricultural situation?

Mr. COLE of Iowa. Yes.

Mr. HOWARD of Nebraska. Oh, if I had my way I would bring in a bill looking not to the relief of agriculture next month or next year, but for the immediate relief of agriculture. I speak to you from the standpoint of one who has never indorsed the principle of the Government giving cost plus to anybody.

Mr. MacLAFFERTY. Will the gentleman yield?

Mr. HOWARD of Nebraska. Certainly.

Mr. MacLAFFERTY. Has not the gentleman the privilege of bringing in such a bill?

Mr. HOWARD of Nebraska. Oh, yes; but I have been unable to get it.

Mr. MacLAFFERTY. But you can bring in such a bill?

Mr. HOWARD of Nebraska. I could if I had the ear of the Rules Committee.

Mr. MacLAFFERTY. Here is a distinct remedy proposed for an evil that exists.

Mr. HOWARD of Nebraska. Oh, yes; but let me finish my statement, since the gentleman has asked me for my remedy. Here is my remedy, following my statement that I do not believe, as a governmental principle, in cost plus for any man or any institution in our country; but here our Government has for years given cost plus to the railroads and kindred organizations, and now, for my part, I am in favor of giving just a little bit of cost plus to agriculture. I want to give agriculture a chance to get up to that cost-plus trough and get its nose in there deep enough to get just a little bit of its share of cost plus, and if I could have had my way I would

have brought out of the Committee on Agriculture long, long ago some bill looking to that good end. But I have not had that influence with the Committee on Agriculture which I might desire, and hence I know now that I shall not have opportunity to vote for any such bill. Why? Because my good President and your good President has declared that everything must be subordinated to the one great end of economy. He has vetoed our pension bill in the name of economy, and I understand, and unhappily I bear the news to you, that only an hour ago the Senate failed by one vote to pass the bill over the presidential veto.

Standing here on the eve of another presidential veto—and I do not state it on my own authority, but upon the authority of many of you administration leaders—we are going to have another dose of economy; and if economy be the watchword, men, under what manner of reasoning can we ask each other to vote for a proposition of this kind at this time?

My friends when I came down here I had been studying to some extent this problem of inland waterways, and I talked with a number of western Representatives, and we agreed that it ought to be dealt with by the Government and favorably. I would like to ask the direct question here of any gentleman on the floor who has been talking to me with reference to my support of the general inland waterways program, Is this bill a part of that program?

Mr. ABERNETHY. Yes; it is a part of it.

Mr. HOWARD of Nebraska. It is a part of it?

Mr. ABERNETHY. It is a part of it, and that is the reason I am voting for it.

Mr. HOWARD of Nebraska. Then if it be a part of that program I want to serve notice that I shall have to withhold my vote for another year or two from that program, because, after listening to the statement made here by that magnificent fellow from Wisconsin, showing the character of this plan to take money out of the Treasury at the present time when our President tells us that economy is so much to be desired, I can not give my consent to indorsing it, and if the general inland waterways program be part and parcel of this program I think I shall have to do a little more studying of that program before I shall promise my vote to any part of it.

My friends, I want to be free—oh, I want to be altogether free—from any thought or suspicion of a sectionalistic mind when I shall be legislating here, and I am dealing with nothing of the kind in mind. I tell the gentleman from Massachusetts frankly I hope to live to see the day when this canal shall be owned and operated by the parent Government, but, after listening to the statement of the gentleman from Wisconsin, I could not vote for the bill at the present time.

The CHAIRMAN. The time of the gentleman from Nebraska has expired.

Mr. WINSLOW. Mr. Chairman, I yield two minutes to the gentleman from Massachusetts [Mr. CONNERY].

Mr. CONNERY. Mr. Chairman and fellow Members of the House, I wish to state first of all that I am not interested in the United States Government taking over this canal to pay back the gentlemen who dug this canal or who are responsible for the digging of this canal, but I am interested in the canal and what it means as a national proposition and to the people of New England. The gentleman from Massachusetts mentioned how the ships have to go outside of Nantucket Island and stay there sometimes for three weeks, if necessary, until the weather abates, and then go up in and around the cape and get into Boston Harbor. We in New England know well how the people suffered last year from a lack of coal. Coal had to come in by rail from the western part of the State of Massachusetts, in through New York State, a little narrow neck of the bottle, and while the people of New England were freezing waiting for coal which the railroads could not move to them, especially those of us who lived in the eastern part of the State, other ships and coal barges were off Nantucket Island waiting to get into Boston Harbor.

As I say, I am not interested in all these millionaires they have been talking about, Mr. August Belmont, or any of these New York financiers—they do not mean anything in my young life at all, as I have had plenty of opportunity to show by my vote this session—but I am interested in the Cape Cod Canal, and in what it is going to mean to the people of Massachusetts, to the people of Maine, all of New England, and right on down the Atlantic seaboard, as has been mentioned, to the people of Florida and so on over to Texas.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. WINSLOW. Mr. Chairman, I would like to inquire if the gentleman from Texas has any more speakers.

The CHAIRMAN. The gentleman from Texas has 14 minutes remaining and the gentleman from Massachusetts has 11 minutes.

Mr. CROSSER. I do not think the gentleman from Texas is going to use any more time.

Mr. WINSLOW. With the understanding that the gentleman from Texas has no more speeches, I will yield the remainder of my time to the gentleman from Massachusetts [Mr. GIFFORD].

Mr. GIFFORD. Mr. Chairman, I am a native of the region through which this canal passes, and for a long time have looked forward to having an opportunity to say something to the Congress on the subject. But after a debate lasting as long as this one has and after all the points which have already been brought out, I can not say all that I intended.

As a dweller on Cape Cod I have to-day learned a lot of facts from Wisconsin and Oklahoma that are surprising, but the most surprising fact I have learned—and it must have surprised many of you as well—was that my immediate predecessor from the sixteenth district of Massachusetts, Judge Walsh, was opposed to this canal purchase. I want you all to know that if he were here in my stead to-day, he would be urging the passage of this bill, as I am. About 10 days ago he told me that he did say something against the proposition, but he told me that it was in war times when the Government was spending money lavishly and wastefully. Now the occasion is different. I can not imagine Judge Walsh being opposed to this purchase or ratification—why, practically every person in that whole section is in ardent favor of it, for they know the need. If I had had the least idea that he was going to be quoted adversely to the measure, as he has been, I should have his affidavit to this effect.

I have lived on Cape Cod all my life and continually heard the harrowing stories of shipwrecks and drownings off our coast. Being very fully informed on that particular aspect of the case I could spend ten times the time that is mine on it and in what lawyers call "boring for water." But I do not intend to do so. However, it did hurt a little when it was said a few moments ago, "You have your canal, why not make use of it?" I want to call your attention to the fact that only a little more than a month ago the *Wyoming*—a magnificent vessel, one of the last of the six masters, and the pride of the State of Maine—was lost off Cape Cod with all on board because, drawing 29 feet of water, she could not use the canal in its present state and was forced to make the trip around the cape. When you gentlemen estimate the expense of this measure, how are you going to measure what the lives of those men alone were worth?

The gentleman from Wisconsin [Mr. NELSON] on April 10 told us about the little alcove over in the Congressional Library where there are a thousand volumes on the moral law. It was there, I suppose, that he prepared his to-day's speech, filled with criticism, witticisms, and sarcasm. Some time in that seclusion and his hours of meditation perhaps the spirits of those lost seamen and countless others will visit and chide him.

In the present condition of the canal, only 25 per cent or less of the shipping will use it, and the manifold dangers of the outside route remain a menace to the larger vessels as of old.

You may have forgotten, but we of Cape Cod have not, the thrill we had during the late war when a German submarine suddenly appeared off our coast and sunk several coal barges. Instantly all of the shipping was frightened away from the outside route and tried to get through this inland waterway. Within three or four days thereafter the Government seized the canal as a pressing war-time measure, and at a tremendous and wasteful expense attempted to put it into proper shape to meet the conditions, while it was simultaneously being operated to its maximum capacity.

After an agitation for the building of this waterway by the Government, which had extended through generations, it had finally been forced to take it over. What was the spark that caused the blaze resulting in the building of the Panama Canal? Was it not the fact that the Oregon was forced to sail all the way around Cape Horn to join the Atlantic fleet during the war with Spain? It was a similar spark, the dire need of sending our shipping through a safe and short inland route which caused the Government to take over the Cape Cod Canal.

While I have not the time to present lengthy arguments, I want to say to you that the people whom I represent have been demanding of me, in no uncertain terms, what the Government intends to do in this matter so vital to them, and what really is the Government? There are three departments in our Government. They know that the executive branch

has, in good faith, done its full duty therein. The case has also been through the judicial department and the courts have rendered a verdict in the condemnation proceedings. Now, it alone remains for the Congress to act in accordance with its moral obligation. It should to-day likewise do its duty. We will be getting for \$11,500,000 what would to-day cost \$25,000,000. I was personally present at the trial of the case and heard the expert witnesses who testified to that fact.

Mr. LAGUARDIA. Will the gentleman yield?

Mr. GIFFORD. My time has so nearly expired that I must ask the gentleman to allow me to continue.

The CHAIRMAN. The gentleman declines to yield.

Mr. GIFFORD. We are getting a wonderful bargain, in fact. If this canal were not already built, it would cost that great sum to construct. It has deteriorated a little, of course, but not so much as has been pictured here to-day. I am pleading not so much for those ocean-going steamships we have to have in order to carry the commerce of the Nation, and which may go around that ocean graveyard off Cape Cod with reasonable safety, but I am speaking on behalf of the small ships and barges. What a crime it is to send men on coal barges around that section of the cape in rough weather! I have particularly in mind the story of one of my near neighbors. After following the sea as captain of a sailing vessel most of his life he was forced to take a barge job when steam drove the old schooners almost from the seas. In order really to appreciate what it is to make that trip on a barge in bad weather you must experience it, but I wish that you could hear that captain tell of one such trip when they were wrecked, clung to the wreckage for more than 24 hours and finally his own son was swept off and drowned before his eyes. It is incidents like that which make the humanitarian side of this question appeal to me above all others, and it should be an important factor in your considerations. Yes; our Government has for a long time been very derelict in its plain duty to its sailor citizens. This canal should have been built 50 years ago. Now we have the opportunity to acquire it and should not let that opportunity slip.

I want to say a word for the private capital involved. Sarcasm reference has been made to the men in Wall Street who were interested in constructing this canal. Some of us happen to know that the ancestors of August Belmont lived on Cape Cod. We, at least, believe that he was actuated by high motives and for the public good when he risked his money in the untried venture. I hold no brief for the private owners, but my belief is that having been recommended by the various other departments of the Government and fully considered by the committee which has reported it, it should pass as it stands, and that it carries the proper sum for them to receive. [Applause.] Mr. Chairman, I ask leave to revise and extend my remarks.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

The Clerk read as follows:

Be it enacted, etc., That the contract dated July 29, 1921, executed by the Boston, Cape Cod & New York Canal Co., and transmitted to Congress by the Secretary of War and printed in House Document No. 139, Sixty-seventh Congress, second session, is hereby ratified on condition that such company files with the Secretary of War its consent in writing that paragraph 8 of such contract be amended to read as follows:

"8. The payment of the amount herein agreed to be paid, or any part of same, to the said canal company is to be upon the express condition that the Boston, Cape Cod & New York Canal Co. waives, in writing, any and all claims of any nature whatsoever that it may have against the President, the Director General of Railroads, or the United States, and upon such release the Director General of Railroads shall release the company from any claim or demand against the company growing out of Federal control."

Mr. BURTNESS. Mr. Chairman, I have an amendment which I desire to offer.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 1, line 9, after the word "that," strike out the word "paragraph" and insert in lieu thereof the following: "Paragraph 5 and"; also at the end of line 10 insert a new paragraph in quotation marks reading as follows:

"5. The company offers to sell the canal to the United States for \$8,255,000, as follows: \$2,255,000 in cash, payable when Congress ratifies this agreement and upon delivery of deed of conveyance as provided herein and the assumption by the United States of the payment of the bonds mentioned in paragraph 2, including interest coupons maturing on and after January 1, 1922."

Mr. BURTNESS. Mr. Chairman and gentlemen of the committee, in passing upon this question I have tried to pass on it very much in the light of the suggestion made by the gentleman from Alabama [Mr. HUDDLESTON] in the minority report in the quotation I am going to give you, which is found on page 20:

The purchase of Cape Cod Canal has the same status for congressional action as would have a measure for the construction of the canal at the beginning. Its status is the same for our practices as though a proposal for the construction of a canal was now being brought forward for the first time.

I regard that attitude as eminently fair and proper. After considering the evidence that has been offered in favor of the proposal for acquiring the Cape Cod Canal, I am for the Government procuring it at the earliest possible date, and I think the very best argument that can be submitted is the map which is shown here, both from a commercial benefit and from a humanitarian benefit. It is strictly in accord with the development of water transportation, both on inland waterways and coastwise; but that does not mean that I am one of those who is willing to jump at any suggestion whenever it is offered.

I think I have tried fairly to consider this proposition thoroughly, and I am convinced that as a matter of fairness, under all the conditions up there, taking into consideration actual values and the condition of the canal, that the amount of \$11,500,000 is not fair to the Government, and I have suggested by my amendment the payment of \$8,265,000. I am not so certain but what the amount ought to be about \$10,000,000. At any rate, I want to quote from the hearings some of the testimony which, to my mind, indicates why one or the other of those suggested sums should be considered rather than \$11,500,000. I want to say that if the amendment I have proposed is voted down I hope to offer another for \$10,000,000.

Mr. BEGG. Will the gentleman yield for a question?

Mr. BURTNESS. I can not just now. On May 29, 1918, the Board of Engineers for Rivers and Harbors rendered its report to the Chief of Engineers of the United States Army, and after setting out the total amount found by the firm of accountants as to the claims of the cost of the canal, amounting, in all, to \$13,053,000, the report says this:

The board has studied the various items making up these amounts and has reached the conclusion that the sum of \$8,265,743.04 may properly be included in toto in determining a fair and reasonable estimate of the cost of the canal. What part, if any, of the indirect expenditures represented by the \$4,787,410.67 should be included is a matter not readily determined. The board has carefully considered the various items comprising this sum and has reached the conclusion that a reasonable allowance for the Flanagan rights of way and franchise and for the development expenses as represented by the losses amounting to \$1,527,198.42 experienced prior to August, 1917, in building up a traffic warrants appraising the fair cost of the canal in round numbers at \$10,000,000, as based upon the reported expenditures. This is intended to cover all property rights and franchises of whatever description acquired by the company in connection with this enterprise, whether directly used for canal purposes or otherwise.

And so the record is full of facts sustaining that contention. In the report of Price, Waterhouse & Co., the accountants who went over the books of the company, you will find that those accountants reported that \$8,265,743 in fact constituted the construction cost of the canal.

Permit me also to quote very briefly from the report of the Chief of Engineers.

The CHAIRMAN. The time of the gentleman from North Dakota has expired.

Mr. BURTNESS. Mr. Chairman, I ask unanimous consent to proceed for five more minutes.

The CHAIRMAN. The gentleman from North Dakota asks unanimous consent to proceed for five minutes more. Is there objection?

There was no objection.

Mr. BURTNESS. This is what the Chief of Engineers says to the Secretary of War:

The board has given careful study to the financial statements contained in Appendix A of the report on survey, from which it appears that the direct cost of actual construction amounted to \$6,243,171.01, the indirect cost to \$1,274,459.63, and the interest and taxes during construction to \$748,112.40, thus giving a total cost of construction amounting to \$8,265,743.04, not including amounts paid in capital stock for rights and franchises or for services in promotion, organization, engineering, financing, etc., nor discount on securities, loss or deficit on operations, and damage claims, amounting in all to \$4,787,410.67. The total expenditures on the canal (see Exhibits E and EE

of Appendix A) are thus reported to be \$13,053,153.71 up to August 31, 1917, counting the payments with stocks and bonds at par. The board believes that the sum of \$8,265,743.04 may be properly included in toto in determining a fair and reasonable estimate of the cost of the canal, and that reasonable allowance for the rights of way and franchises and for the development expenses in building up a traffic warrants appraising the fair cost of the canal in round numbers at \$10,000,000, as based upon the reported expenditures. * * *

Now, an estimate is also found in the evidence as to how much it would have cost the Government to have built this canal, if constructed at the same time, regardless of the figures that are found in the books of the canal company. That estimate you will find on page 286, made by one M. W. Lewis on November 13, 1918. I quote a tabulation therefrom, as follows:

Direct costs:	
Excavation, at 25.6 cents	\$3,842,165.96
Slope protection	279,112.65
Land	537,493.38
	4,658,771.99
Breakwater	504,076.66
Bridges	521,088.85
Railway changes	190,463.72
Highway changes	62,502.01
Equipment	181,993.71
	6,118,896.94
Superintendence, inspection, and contingencies, 20 per cent	1,223,779.39
Total	7,342,676.33

Then he says:

By adding to the above the work done at the approaches (3,000,000 cubic yards) the above estimate is increased \$768,000, or to a total of \$8,110,000.

The above estimate does not include the cost of approximately 1,000 acres of land, franchises, and other rights obtained from Mr. Flanagan. So the situation is this, as it seems to me: If you want to pay the fair cost of construction and of overhead expense and the interest on necessary expenditures during the time of construction and pay nothing for the franchises that were held by this man Flanagan or for some land that he turned over, the figure of \$8,765,000 proposed in the present amendment would be about right. If you want to pay for the franchises and the land that is included in this proposition, the total amount, according to the report of the engineers of the Army, should not exceed \$10,000,000; and it does not seem to me right and proper that we should give to these people a million and a half dollars, or more, even if it is true that they have lost not only that million and a half but several times that much.

Mr. WAINWRIGHT. Mr. Chairman, will the gentleman yield?

Mr. BURTNESS. In a moment. My amendment is simply a duplication of section 5 of the offer made by this company.

Mr. WAINWRIGHT. Was there any cash payment in addition to this \$8,265,000? In other words, is it not a question whether a part of that \$4,000,000 was in cash?

Mr. BURTNESS. I do not know whether all of it was paid in cash or not; I do not recall. But the \$4,000,000 is made up of a large number of items—cost of franchises, stock, promotion fees, attorneys' fees, including claims for damages, and everything of that nature—made during the time this canal was in the process of construction. The engineering fees were very large. I am not in a position to judge exactly, so perhaps I ought not to make the assertion, but in my judgment the engineering fees and every item of that sort, which were included in the \$13,000,000, were positively exorbitant.

At any rate, I for one am willing to accept the judgment and advice of the Chief of Engineers of the Army, as given in the report made to the Secretary of War, and especially so after the report had been made on the records of the company itself, as disclosed by the audit of the accountants and also by the Board of Engineers of the rivers and harbors organization, all having that same general end in view.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. SANDERS of Indiana and Mr. MADDEN rose.

The CHAIRMAN. The gentleman from Indiana [Mr. SANDERS] has the preferential right and is recognized.

Mr. SANDERS of Indiana. Mr. Chairman, the gentleman from North Dakota [Mr. BURTNESS], a very able member of our committee, has indicated to the House that after an investigation of this proposition he was thoroughly convinced that the Cape Cod Canal should be taken over, and that the only objection he has to the bill is the amount. He says he is going to offer this amendment to decrease the amount to \$8,250,000,

and if that is not agreed to he is going to offer an amendment carrying \$10,000,000.

Mr. Chairman, I want to call particular attention to the status of this legislation. The Congress authorized the Secretary of War to negotiate a contract for the purchase of this canal, and in the event of the failure of those negotiations to institute condemnation proceedings by the use of the Attorney General. The Secretary of War undertook to agree and offered the amount which the gentleman proposes to put in the bill. That amount was rejected by the company; condemnation proceedings were instituted and the jury rendered a verdict of \$16,800,000. The Government, discontented with that award, appealed, and not because the verdict was excessive, Mr. Chairman, but for technical reasons that case was reversed and sent back to the Federal court for retrial. The Secretary of War having this proposition in hand did what an individual would do. He proceeded under the authority he had to negotiate and said:

I have offered the canal company \$8,250,000; the jury has rendered a verdict of \$16,800,000; I am going to negotiate further.

And he did negotiate further, and has arrived at a contract for \$11,500,000. It is proposed by the gentleman from North Dakota [Mr. BURTNESS] to send this back with an amendment which practically kills the bill, because we have no assurance that any such contract will be entered into. On the contrary, we have every assurance that the amount fixed by the amendment will be again rejected. So that those who are in favor of closing this matter ought to immediately vote against the amendment offered by the gentleman from North Dakota and support this measure as it is, carrying the amount which has been agreed to by the Secretary of War, who has had full authority. The engineers under him have been merely reporting to him, and he reports to us that this is the best that can be done, and the contract includes rights of considerable value in addition to the rights which were proposed to be given for the original amount of \$8,250,000.

So I suggest, Mr. Chairman, that it is absolutely necessary, if we are to have this legislation, for us to leave the amount as it is now written in the bill.

Mr. MADDEN. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Illinois is recognized.

Mr. MADDEN. Mr. Chairman and gentlemen, whatever may be the ultimate necessity for the purchase of this canal, we are living in a period when every dollar of the public money should be conserved and no dollar expended for any purpose except that which is an essential need of the hour. No one will claim that this project is an emergency, nor will anyone deny that it can be postponed without any injury to any cause; no one will dare deny that the amount proposed to be paid is excessive. I assert it is. If but \$6,000,000 or a little more has been expended by the promoters of this canal, I ask you why we should be called upon to pay \$11,500,000. I ask you why there is danger in adopting the amendment offered by the gentleman from North Dakota [Mr. BURTNESS]. We are asked not to adopt it because, forsooth, we must not send the question back. If the proposal he makes is just, what harm can be done by sending it back?

If the proposal made by the committee is unjust, why should we adopt it? Oh, they have argued sentimentally. They say that every dot upon this map means a loss of life. That is no argument on the merits of the proposal. One gentleman here even argued that you could start a ship from Galveston and go all the way to Boston on the inside route. That was one of the arguments, and that is as good an argument as most of the arguments that have been made on the merits of the question.

Gentlemen, we have \$300,000,000 of obligations facing us over and above the revenues at the disposal of the Government, and, under the pending revenue act now in conference, there will be created a deficit of \$450,000,000; yet we run wildly into the expenditure of unnecessary millions. Is there anyone, anywhere, willing to speak a word for economy?

Mr. MILLS. Will my friend from Illinois yield?

Mr. MADDEN. No; I do not want to yield just now.

Is there anyone willing to represent the people in their demand for lower taxation? You can not help but admit that if you continue to pile up the expenses, you must levy new taxes. You can not go before the American people and plead that you did not understand the question. You understand that every dollar appropriated by this Congress must be raised by tax levy, and you can not say to the American people, "We thought we were conserving your interests when we made the

appropriation, and we forgot that it was necessary to raise the money by taxation." You can not plead that.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. WINSLOW. Mr. Chairman, I move to strike out the last two words.

I quite agree with the preceding speaker and I applaud him for continuing to be the good, old, faithful watchdog of the Treasury; but there are conditions in business which are worth considering, even if it becomes a pull to get the wherewithal to meet them, and one of them is good faith.

The Government of the United States, by what it has done in this case, has crowded the owners against the wall; and when it crowded them by virtue of condemnation proceedings and got a good licking in the courts, it proceeded to crowd them again and got them against the wall once more, and then under the decision of the court of appeals a new trial was ordered. Later comes along the Government once more, through its authorized agents, authorized by Congress, and says, "Now, let us not go to the expense of litigation and a great, big fight; let us have the canal run along until Congress can come together and pass on our trade with you," and thus it has come to pass.

Meanwhile there has been no income to the canal company. It has all been diverted to the care of the canal or saved in the Treasury for the Government. The owners of the canal, those who hold the stock and are entitled to vote, have paid the bond interest out of their own pockets. Now, it is not good faith for the Government of the United States and the Congress to delay the agony longer. If we do not want to put this bill through, let us say so good and plenty and be done with it, and let the canal company go back to the court and try out its cause, without hanging on them the way a dog will keep a rat going for an indefinite period, but let us do it in a businesslike way and let the Government be an example of good business and not be a terror to everybody who has anything to do with it.

Mr. TINCHER. Will the gentleman yield?

Mr. WINSLOW. Yes.

Mr. TINCHER. Is the suit instituted by the Government still pending?

Mr. WINSLOW. It is pending, and it is being delayed from time to time by agreement of counsel on both sides.

Mr. TINCHER. If we turn down the proposition of compromise that has been agreed to, then another jury in the same locality that tried the case before will be impeached and will fix the amount.

Mr. WINSLOW. Just so, and we may get another \$16,000,000 instead of \$11,500,000.

Mr. McLAUGHLIN of Michigan. Is there anything out of the ordinary in that suit to make it obligatory on the Government to accept the verdict of the jury in fixing the amount?

Mr. WINSLOW. I think they have the ordinary recourse to law.

Mr. McLAUGHLIN of Michigan. And the Government can accept the verdict or not, as it pleases?

Mr. WINSLOW. No; when the court finally decides and all the steps have been taken that the Government can take to get out from under, then they will have to pay.

Mr. McLAUGHLIN of Michigan. Ordinarily, in a case of this kind, the one against whom the verdict is rendered can accept it or not. Of course, if he takes the property he must pay, but he can wash his hands of the whole thing and say, "The verdict is too high, I refuse to pay it."

Mr. WINSLOW. But the Congress of the United States has ordered it bought. Do not forget that. The order has been put in by Congress to buy this property, by private arrangement or through condemnation. Therefore the Government must take the canal one of these days when through the operation of the courts a decision as to purchase price is established.

Mr. O'CONNELL of Rhode Island. Mr. Chairman and gentlemen, I rise in opposition to the amendment of the gentleman from North Dakota, and I base my objection on two grounds: First, I am firmly convinced that if the amount suggested by him is substituted for the amount provided in the bill there will be no purchase of the Cape Cod Canal. Second, I am opposed to it because I am satisfied, from reading the rivers and harbors act, approved August 8, 1917, which gives authority to examine and appraise the value of the works and franchises of the Cape Cod Canal and to negotiate and contract for its purchase, that if we make any change in the figures provided in the offer of the Cape Cod Canal Co., made on July 29, 1921, and accepted on the same date in behalf of the United States Government by the Secretary of War, that we have no authority under any other provision of the act of August 8, 1917, or of any

other special act or general law, to purchase this canal. That act provides in part that if, in the judgment of the Secretary of War, the Secretary of the Navy, and the Secretary of Commerce, the price of such canal is reasonable and satisfactory, and its acquisition is agreed upon by all three Secretaries, that the Secretary of War is authorized to make a contract for the purchase of the same at the option of the United States, subject to future ratification and appropriation by the Congress; or, in the event of inability to reach a satisfactory agreement as to price, to take it over by condemnation proceedings. We tried the condemnation proceedings and they have failed. Now there is only one other way and we must take it on the ratification by Congress of the existing contract.

The ratification by Congress is a condition subsequent. There must be a previously existing bona fide contract which has been executed by some official in behalf of the United States Government and by the Cape Cod Canal Co. The only contract in existence is the one of \$11,500,000, made on July 29, 1921, by the officials of the Cape Cod Canal Co. and accepted on behalf of the Government by the Secretary of War. We are now asked to ratify that contract. There is no other contract in existence that we can ratify, and if we substitute the figures proposed by the gentleman from North Dakota, or any other figures except the exact figures of the contract, in the terms of the offer made and the acceptance of that offer, then we have nothing to act upon under authority conferred by the act of August 8, 1917, which is the only source of authority for the proposed purchase.

It is simply a means of putting this proposition to sleep, of administering to it a deadly sleeping potion. This waterway is sadly needed. It is in truth a part of the intercoastal system of this country and it should be accepted. In my opinion, the figures are reasonable and much less than the actual cost of construction. [Applause.]

Mr. WINSLOW. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto be closed in five minutes.

The CHAIRMAN. The gentleman from Massachusetts asks unanimous consent that all debate on the section and all amendments thereto close in five minutes. Is there objection?

Mr. McLAUGHLIN of Michigan. Reserving the right to object, I should like a couple of minutes.

Mr. WINSLOW. Mr. Chairman, I will modify my request and make it eight minutes.

The CHAIRMAN. The gentleman from Massachusetts modifies his request and asks unanimous consent that all debate on the section and amendments thereto close in eight minutes. Is there objection?

Mr. PARKS of Arkansas. I object.

Mr. McKEOWN. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Substitute amendment offered by Mr. McKEOWN to that of Mr. BURTNESS: Strike out the figures "\$11,500,000" and insert in lieu thereof "\$6,243,150."

Mr. McKEOWN. The bill will be ratified on condition they would strike out \$11,500,000 and insert \$6,243,150.

Mr. BURTNESS. How about the \$5,500,000 of bonds?

Mr. McKEOWN. We will come to that; we will come to that later. I am in favor of the gentleman's amendment if we do not get this.

Mr. BURTNESS. I raised that point because it is plain you change the amount—

Mr. McKEOWN. It is how you come at it. Here is the proposition. They talk about a contract. Here is the contract; I have it here. The contract provides that this will be a contract whenever it is approved by the Congress. There is no contract now. We can change this proposition, and here we are making a counter offer. The gentleman makes a counter offer to them. There is no binding contract; we are not bound to accept this at all, and if we do accept it why pay more than the actual value of the property? Gentlemen talk about a lawsuit and wanting to go to a jury. Let it go to a jury. I am willing to go to a jury upon the rules as set forth by the court. What were those rules? The rules were the measure of the value of the property damages, which was the value of the property and not what somebody says it would probably cost, such as they had—expert witnesses such as General Goethals and other persons who testified this canal would cost \$20,000,000 or \$30,000,000, but it said the cash market value of that property.

Mr. BURTNESS. If the gentleman will allow a suggestion. If even that award under the law was passed by Congress in 1917, permit me to quote one line:

The acceptance of the award in said proceedings to be subject to future ratification and appropriation by Congress.

Mr. McKEOWN. There is nothing binding here now. I make this proposition, and it is a fair proposition: Put in a proposition to pay them six or eight million dollars, and if you make the proposition, if you put it in, you will never hear any kick about not accepting it. They will accept it, and you will save to the Government some two or three millions of dollars, which, as the evidence shows in this case, is watered stock. Why, here is a man who only paid \$470,000 for the rights of way in all this land, and yet he gets back in bonds over \$1,360,000. Here is a law firm in New York which drew \$50,000 a year for five years you are going to pay back. Here is another proposition of high finance of \$1,006,000, and the Congress of the United States, in view of the condition of the Treasury at this time, is it willing to go on record with the taxpayers of the country that you are to pay over money for lawyers' fees, high financial propositions of \$1,006,000, instead of paying the value of the property itself?

Mr. O'CONNELL of Rhode Island. If the gentleman will substitute any other figures than the figures here, what existing contract does he ratify?

Mr. McKEOWN. We will not have a contract like we have now. We have none now. We only have an offer and acceptance. They make an offer of \$11,500,000, and Congress in turn makes an offer of \$8,500,000 or \$8,000,000, whatever it is, and it is up to them to accept or reject it. No contract can be made unless the two minds meet on the proposition.

Mr. WINSLOW. Mr. Chairman, I move that all debate on this section and all amendments thereto close in six minutes.

The CHAIRMAN. The gentleman from Massachusetts moves that all debate on the pending section and all amendments thereto close in six minutes.

The question was taken, and the motion was agreed to.

Mr. McLAUGHLIN of Michigan. Mr. Chairman, in order to get recognition I rise in opposition to the motion of the gentleman from Oklahoma. The gentleman from Massachusetts [Mr. WINSLOW] gave me what I think is a wrong impression. I think he must have given the House a wrong impression as to the status of that lawsuit to the effect that the amount of the verdict of the jury might be far in excess of \$11,500,000 and it would be binding upon the Government. Quoting from the law I find that it authorizes the "Attorney General to institute and carry to completion proceedings for the condemnation of said canal and its appurtenances, the acceptance of the award in said proceedings to be subject to future ratification and appropriation by Congress."

That is a contradiction of the statement made by the gentleman from Massachusetts as I understood him. I wish to say only one thing more. We have here the report of the Chief of Engineers, whose duty it is to investigate, examine, and report on every proposed river and harbor and waterway project in the country. I represent a harbor district, have had not a little experience with the Corps of Engineers, and have the highest respect for it. I know that in every matter which they consider their decision is accepted by the Congress as absolutely final and conclusive. It is futile for anyone interested in a project to try to get approval of it or money from the Federal Treasury contrary to the report of the Chief of Engineers. It is a matter of official record that during the last 20 years not one dollar of public money has been spent on any kind of river or harbor or waterway proposition anywhere from the Federal Treasury contrary to the report of the Chief of Engineers. We are asked here to override and disregard altogether the reports and recommendations of the Chief of Engineers respecting the Cape Cod Canal, to disregard his estimate of its value and his opinion and advice as to the necessity and desirability of the Federal Government acquiring title to it.

The CHAIRMAN. The question is on agreeing to the substitute offered by the gentleman from Oklahoma [Mr. McKEOWN].

The question was taken, and the amendment was rejected.

The CHAIRMAN. The question now is on the amendment offered by the gentleman from North Dakota [Mr. BURTNESS].

The question was taken, and the Chairman announced that the noes appeared to have it.

Mr. BLANTON. A division, Mr. Chairman.

The CHAIRMAN. The gentleman from Texas demands a division.

The committee divided; and there were—ayes 60, noes 85. So the amendment was rejected.

Mr. BURTNESS. Mr. Chairman, I offer another amendment.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from North Dakota.

The Clerk read as follows:

Amendment offered by Mr. BURTNESS: Page 1, line 9, after the word "that," strike out the word "paragraph" and insert in lieu thereof the following: "paragraphs 5 and"; also, at the end of line 10 insert a new paragraph in quotation marks, reading as follows:

"5. The company offers to sell the canal to the United States for \$10,000,000, as follows: \$4,000,000 in cash, payable when Congress ratifies this agreement and upon delivery of deeds of conveyance as provided herein, and the assumption by the United States of the payment of the bonds mentioned in paragraph 2, including interest coupons maturing on and after January 1, 1922."

Mr. BURTNESS. There are one or two minutes left, are there not?

The CHAIRMAN. Three minutes remain.

Mr. BURTNESS. Mr. Chairman, the amendment I have now proposed is identical with the last one, except that I have inserted "\$10,000,000" instead of "\$8,265,000" and have made the necessary allowances for the amount to be paid in cash. That is on the theory that the additional \$1,735,000 would pay for the franchise and for the land that was owned by this man named Flanagan prior to the organization of the corporation with which you are dealing. So if this amendment is adopted you pay not only for the construction of the canal and all the overhead expense and the interest during the time the canal was under construction, but you would also pay for all the land that goes with it and for all the franchises that were held by the individuals who dealt originally with the corporation.

Now, this situation is exactly as it was put to you a moment ago by the distinguished gentleman from Michigan [Mr. McLAUGHLIN]. It is simply a question whether you are going to turn down the recommendation of the Chief of Engineers as to the amount that the canal actually did cost; also whether you are going to disregard the evidence submitted to the committee, as found in the hearings, of what the canal would have cost if the Government had built it, or whether you are going to accept an arbitrary figure based upon nothing particularly definite, but offered merely as a compromise calculation between what it cost and what the jury happened to award in war times after improper instructions from the court and after improper evidence had been submitted to it. That is the sole question before you, and I ask you to vote for the amendment. [Applause.]

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from North Dakota.

The question was taken, and the Chairman announced that the noes appeared to have it.

Mr. BURTNESS. A division, Mr. Chairman.

The CHAIRMAN. A division is demanded.

The committee divided; and there were—ayes 72, noes 85.

Mr. BURTNESS. Mr. Chairman, I demand tellers on that vote.

The CHAIRMAN. The gentleman from North Dakota demands tellers. Those who desire to have this vote taken by tellers will rise and stand until they are counted. [After counting.] Only 18 gentlemen have risen, not a sufficient number.

Tellers were refused.

So the amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 2. That the sum of \$5,500,000 is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, to be expended under the direction of the Secretary of War, for the acquisition by purchase, in accordance with the terms of such contract, modified as provided in section 1 of this act, of the Cape Cod Canal and other property referred to in paragraph 1 of such contract.

Mr. BYRNS of Tennessee. Mr. Chairman, I want to ask the indulgence of the committee for just a few minutes at this late hour.

I do not profess to be any more anxious to see economy practiced than any other Member of the House, and certainly I have no greater responsibility than any other Member of the House. There are many reasons why I would like to support this bill, particularly on account of the fact that some of my friends on the floor, and they are very good friends of mine, are very warmly in favor of it.

I have been appealed to by the arguments which have been made from the humanitarian standpoint, both as to the loss of lives and as to the loss of property, but I am reminded of the fact that we now have a canal there. If there was not a canal already there, I might, even at the expense which is involved at this particular time, favor the digging of a canal.

But we now have a canal there, and certainly I do not think, when we are facing a large deficit, as has been stated upon the floor of this House this afternoon, that this is the time to take this property off the hands of the stockholders, for whom the gentleman from Massachusetts so passionately argued a few minutes ago, abandoning, it seemed to me, in large measure his previous argument. I say, I do not think we should relieve the stockholders of this property merely because they have upon their hands a losing proposition. They did not dig this canal with the original idea that the United States Government was going to take it off of their hands, but they now find that they have a proposition which is losing money, and they come and ask the Government to relieve them of that financial loss.

I read a statement made by a distinguished Senator a day or so ago, a gentleman who knows as much about tax matters and financial matters as any Member of Congress, and he said that when this new tax measure is passed—if enacted as it is now in conference—the Government is going to lose \$470,000,000 in revenue. We are told that is going to mean a \$150,000,000 deficit, as was stated by the gentleman from Illinois, the chairman of the Appropriations Committee, a while ago, and that is not taking into consideration the additional burdens Congress is voting every day upon the Public Treasury and upon the people.

Let me tell you some of these additional burdens and what this great so-called economy Congress has done by way of legislating up to this time and in adding to the regular appropriations which have been carried in the appropriation bills. Many of the measures which I am going to recite to you are measures which we all might favor and would like to see enacted into law, but they are costing the people millions of dollars which have got to be met by increased taxes, for there is no other way you can meet them.

Let me read some of them to you. I have made these notations while sitting in my seat here this afternoon, simply from memory. There may be other measures which could be added. I am going to give you these figures in round numbers, as I say, from my memory.

The Bursum bill was passed which would have added \$58,000,000 annually to the expenditures of the Government. That bill was vetoed, it is true, by the President, and I understand the President's veto was sustained by the Senate this afternoon. I am wondering what the President, in view of his claim that he vetoed that measure on the ground of economy, is going to do with this particular bill when it reaches the doors of the White House.

The bonus bill, which carried, according to the arguments made here when it was on the floor, an ultimate cost to the Government of \$2,100,000,000. The actuary of the American Legion has stated since, so the papers tell us, that it will cost \$3,300,000,000, and the Treasury has estimated it will ultimately cost the Government as much as \$4,800,000,000.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. BYRNS of Tennessee. Mr. Chairman, I ask unanimous consent to proceed for three more minutes.

The CHAIRMAN. The gentleman from Tennessee asks unanimous consent to proceed for three additional minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. BYRNS of Tennessee. The loan to the German people carrying \$10,000,000; the loan to the farmers of New Mexico, carrying \$1,000,000; the increase for the employees of the House and Senate, carrying \$360,000; the increase under the reclassification measure to the employees of the Government in the District of Columbia and in the field, which will amount to \$8,000,000 and possibly \$10,000,000 or \$12,000,000; the increase which will be made to the postal employees under a bill which is shortly to be reported to the House, which, it is stated, will amount to \$85,000,000; the increase to the teachers and the police and fire departments of the District of Columbia, \$2,000,000; the increase made the other day by the bill passed by the House for new hospitals, \$8,500,000; roads in the national parks, \$2,500,000; reforestation, \$2,500,000; vocational rehabilitation, \$4,000,000, to be spent in four years, with \$75,000 a year for administration; veteran legislation now pending which will probably pass, and which no doubt ought to be passed, which will cost \$40,000,000, so estimated. There are other measures carrying authorizations for appropriations which I do not just at this moment recall. For this proposition, which is not urgent and which is not needed at this time, either from a humanitarian standpoint or from any other standpoint, we are asked to obligate the Government to spend \$5,500,000 in cash and to obligate it to assume \$6,000,000 of bonds, and it is stated by the gentleman from Massachusetts

the project will ultimately cost \$10,000,000 in addition, and some say \$15,000,000 to \$25,000,000 more in order to put it in proper shape. This is a rather remarkable record for the House, in view of its repeated claims of economy. Remember, all these sums are in addition to the regular appropriations, and will, to that extent, increase the deficit.

Gentlemen, you upon the Republican side of the House are responsible, as the majority in this House, and I leave it to you whether you are going to add this additional \$11,500,000, with all that may come after it, to the present burdens of the people. [Applause.]

Mr. WINSLOW and Mr. WOOD of Indiana rose.

Mr. WINSLOW. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in eight minutes.

The CHAIRMAN. The gentleman from Massachusetts asks unanimous consent that all debate on the pending section and all amendments thereto close in eight minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. WOOD. Mr. Chairman, I have listened with a great deal of interest to the speech just made by my friend and colleague from Tennessee. I believe that my record, together with the record of the gentleman from Tennessee, has been for economy, but sometimes a fault can be found in false economy. We have been advocating for years the development not only of our intercoastal waterways but our interstate waterways.

If we are to be guided by the figures that may be given, like those that have been given by the gentleman from Tennessee on the expenditures of this Government, we will never dig any canals and we will never build any waterways. It is the same old story that has been heard from the beginning of this Government down to this time against public improvement, and I was a little bit amazed at the gentleman from Tennessee in view of what has transpired in a very few weeks past. I heard the gentleman, with all the eloquence at his command, with all the ingenuity of which he is capable, pointing out the great advantages that might come by reason of accepting the Muscle Shoals proposition. I am not here for the purpose of making invidious comparisons. I am here though contending that that which is best for all our country ought to be the thing that we should try to subserve.

I am in favor of the intercoastal proposition. I am in favor of the St. Lawrence proposition. It has been the dream of our section and the dream of the West and of the Northwest to realize by accomplishment a deeper waterway from the Lakes to the Gulf, and if we are ever going to commence upon that program we will never have a better opportunity than now. By our action to-day will be determined our course for the future in regard to deep waterways improvement.

The cost involved in this measure, while it seems great, is not so enormously great in comparison with the possibilities of accomplishment. We are constantly reminded here of the necessity of improving our transportation facilities. We are constantly reminded of the excessive rates that are being charged by the railroads of the country. If we are ever going to reduce them, if there is any medium by which that can be done, it can best be accomplished by providing cheap waterway transportation.

We should not only consider the outlay at the present moment but should visualize, if possible, the resulting consequences in the future. It strikes me there never was a time more opportune than now for the commencement of the thing which has been the dream and hope of every section and all our people throughout all this country. The people of New England have this in mind. The people of New York have this in mind. They have also in mind waterway transportation by reason of the improvement of the St. Lawrence system. We people in the Middle West and West and Northwest have as our dream the consummation of the deeper waterway scheme from the Lakes to the Gulf.

We are now at the crucial point of determining whether we are going to enter upon this program or whether we are not going to enter upon it. I know this is a critical time. I know something of the burden of taxation resting upon our people, but there will always be a burden of taxation that will be with us ever; but we must progress and through our progress make it possible to reduce our burden of taxation.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. FISH. Mr. Chairman, the gentleman from Tennessee [Mr. BYRNS], who has just spoken, thinks very little of giving Henry Ford \$100,000,000 worth of Government property, but he feels it is inopportune to spend \$11,500,000 of Government money to pay for the Cape Cod Canal and fulfill

a lawful agreement entered into by the Secretary of War. What I have to say applies more to Republicans because we are the administration, or at least represent the administration. I feel that we can afford to be honest before election just as well as after election. We are confronted with an honest obligation that should have been fulfilled several years ago. It is no use to say that it is not opportune, and postpone consideration until after election. If it is honest, let us act honestly now. If it is unjust and unfair, let us vote it down. Do not let us do anything illogical because it is not opportune to appropriate the money on account of some vague apprehension of its effect on the presidential campaign. Let us do the honest and fair thing and have done with this bill.

The whole motive against this bill can be summed up in two words—August Belmont. Since when has it been the American policy to stand out against a man because he has been successful in business. Since when has it been the Republican or Democratic policy to deny credit to a man who has been energetic, industrious, and successful in financial matters? I have known August Belmont for 20 years. He is not a constituent of mine; he belongs to the opposite party, but I know of no more public-spirited man or patriotic American citizen. He was no war profiteer; he was commissioned as a major of Cavalry during the war, and his two sons were in the service. He invested his money in ditches over the ground and under the ground. He had faith in the American people. He built the subway under New York. He dug the Cape Cod Canal and made navigation safer and easier. He promoted commerce and industry, and yet the whole motive, the only objection I have heard to this bill has been that August Belmont is the biggest stockholder, and some Members of Congress instead of commanding want to penalize him simply because he is affiliated with Wall Street and has been a successful business man. [Applause.]

The Clerk completed the reading of the bill.

Mr. WINSLOW. Mr. Chairman, I move that the committee do now rise and report the bill to the House with the recommendation that it do pass.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. CRAMTON, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 3933) for the purchase of the Cape Cod Canal, and for other purposes, had made no amendment thereto, and had directed him to report the bill to the House with the recommendation that the bill do pass.

The SPEAKER. By the rule the previous question is ordered, and the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. NELSON of Wisconsin. And on that, Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 150, nays 131, answered "present" 6, not voting 145, as follows:

YEAS—150

Abernethy	Dickstein	Hudspeth	Nelson, Me.
Aldrich	Doughton	Hull, William E.	Newton, Mo.
Allgood	Driver	Humphreys	O'Connell, R. I.
Almon	Dyer	Jeffers	O'Connor, La.
Andrew	Elliott	Johnson, Wash.	O'Connor, N. Y.
Aswell	Fairchild	Kearns	Oliver, Ala.
Barbour	Fairfield	Ketcham	Oliver, N. Y.
Begg	Favrot	Kindred	Paige
Bixler	Fish	King	Parker
Black, N. Y.	Fisher	Lankford	Phillips
Bland	Fitzgerald	Larson, Minn.	Prall
Bloom	Fleetwood	Lazaro	Purnell
Bowling	Foster	Leatherwood	Quayle
Box	Freeman	Lindsay	Ragon
Boyce	French	Logan	Raker
Boylan	Frothingham	Longworth	Reece
Briggs	Gallivan	Lozier	Reed, N. Y.
Brumm	Gasque	Luce	Richards
Cable	Geran	Lyon	Rogers, Mass.
Carew	Gifford	McDuffie	Sanders, Ind.
Celler	Graham, Pa.	MacGregor	Sandlin
Chindblom	Greene, Mass.	Major, Mo.	Sears, Fla.
Clarke, N. Y.	Hadley	Mansfield	Sinnott
Cleary	Hammer	Mapes	Smith
Collier	Hardy	Martin	Smithwick
Connery	Hawes	Mead	Snell
Cooper, Ohio	Hawley	Merritt	Sproul, Ill.
Cullen	Hayden	Miller, Wash.	Stedman
Dallinger	Hickey	Mills	Stengle
Darrow	Hill, Ala.	Minahan	Stephens
Deal	Hill, Md.	Moore, Ga.	Strong, Pa.
Dempsey	Hoch	Moore, Va.	Sullivan
Denison	Hooker	Morgan	Swing

Thompson
Tilson
Timberlake
Tinkham
Treadway

Underhill
Valle
Vestal
Weaver
Weller

Wertz
Williams, Ill.
Wilson, La.
Wingo
Winslow

Wood
Wurzbach
Wyant

NAYS—131

Ackerman
Allen
Arnold
Ayres
Bacon
Beck
Beers
Bell
Black, Tex.
Blanton
Brand, Ga.
Brand, Ohio
Browne, N. J.
Browne, Wis.
Browning
Bulwinkle
Canfield
Cannon
Casey
Christopherson
Clague
Clancy
Cole, Iowa
Connally, Tex.
Cook
Cooper, Wis.
Cramton
Cresser
Cummings
Davey
Davis, Minn.
Davis, Tenn.
Dickinson, Mo.

Dowell
Drewry
Evans, Iowa
Frear
Fulbright
Fulmer
Garber
Gardner, Ind.
Garrett, Tenn.
Glatfelter
Green, Iowa
Greenwood
Griest
Harrison
Hastings
Hill, Wash.
Holaday
Howard, Nebr.
Jacobstein
James
Johnson, S. Dak.
Johnson, Tex.
Jones
Keller
Kent
Kopp
Kurtz
Lampert
Lanham
Larsen, Ga.
Leavitt
Little
Lowrey

McClintic
McFadden
McKeown
McLaughlin, Mich.
McLaughlin, Nebr.
McLeod
McReynolds
McSweeney
Magee, N. Y.
Major, Ill.
Michaelson
Michener
Milligan
Mooney
Moore, Ohio
Morehead
Murphy
Nelson, Wis.
O'Sullivan
Oldfield
Parks, Ark.
Peery
Perlman
Quin
Ramseyer
Rankin
Rathbone
Roach
Robinson, Iowa
Robison, Ky.
Romjue
Rube
Sabath

Salmon
Schafer
Schneider
Shallenberger
Sherwood
Sites
Speaks
Sproul, Kans.
Stalker
Stevenson
Summers, Tex.
Swank
Taber
Taylor, Tenn.
Taylor, W. Va.
Temple
Thatcher
Thomas, Ky.
Tillman
Underwood
Vincent, Mich.
Voigt
Wainwright
Watres
Wefald
White, Kans.
Williams, Mich.
Williamson
Wilson, Ind.
Woodruff
Woodrum
Wright

ANSWERED "PRESENT"—6

Berger
Burtness

Byrns, Tenn.
Dominick

LaGuardia

Rayburn

NOT VOTING—145

Anderson
Anthony
Bacharach
Bankhead
Barkley
Beedy
Boies
Britten
Buchanan
Buckley
Burdick
Burton
Busby
Butler
Byrnes, S. C.
Campbell
Carter
Clark, Fla.
Cole, Ohio
Collins
Colton
Connally, Pa.
Corning
Crisp
Croll
Crowther
Curry
Dickinson, Iowa
Doyle
Drane
Eagan
Edmonds
Evans, Mont.
Faust
Fenn
Fredericks
Free

Fuller
Funk
Garner, Tex.
Garrett, Tex.
Gibson
Gilbert
Goldsborough
Graham, Ill.
Griffin
Haugen
Hersey
Howard, Okla.
Huddleston
Hudson
Hull, Morton D.
Hull, Iowa
Hull, Tenn.
Johnson, Ky.
Johnson, W. Va.
Jost
Kahn
Kelly
Kendall
Kerr
Kiess
Kincheloe
Knutson
Kunz
Kvale
Langley
Lea, Calif.
Lee, Ga.
Lehbach
Lilly
Lineberger
Linthicum
McKenzie

McNulty
McSwain
MacLafferty
Madden
Magee, Pa.
Manlove
Miller, Ill.
Montague
Moore, Ill.
Moore, Ind.
Morin
Morris
Morrow
Mudd
Newton, Minn.
Nolan
O'Brien
O'Connell, N. Y.
Park, Ga.
Patterson
Peavey
Perkins
Porter
Pou
Rainey
Ransley
Reed, Ark.
Reed, W. Va.
Reid, Ill.
Rogers, N. H.
Rosenbloom
Rouse
Sanders, N. Y.
Sanders, Tex.
Schall
Scott
Sears, Nebr.

Seger
Shreve
Simmons
Sinclair
Snyder
Stegall
Strong, Kans.
Summers, Wash.
Sweet
Swoope
Tague
Taylor, Colo.
Thomas, Okla.
Tinscher
Tucker
Tydings
Upshaw
Vare
Vinson, Ga.
Vinson, Ky.
Ward, N. Y.
Ward, N. C.
Wason
Watkins
Watson
Welsh
White, Me.
Williams, Tex.
Wilson, Miss.
Winter
Wolff
Yates
Young
Zihlman

So the bill was passed.

The Clerk announced the following pairs:
On this vote:

Mr. Gibson (for) with Mr. Busby (against).
Mr. Curry (for) with Mr. Rouse (against).
Mr. Corning (for) with Mr. Funk (against).
Mr. O'Connell of New York (for) with Mr. Park of Georgia (against).
Mr. Upshaw (for) with Mr. Kvale (against).
Mr. Porter (for) with Mr. Dominick (against).
Mr. Tague (for) with Mr. Wolff (against).
Mr. Shreve (for) with Mr. Morris (against).
Mr. Butler (for) with Mr. Collins (against).
Mr. Patterson (for) with Mr. Peavey (against).
Mr. Griffin (for) with Mr. Wilson of Mississippi (against).
Mr. Burton (for) with Mr. LaGuardia (against).
Mr. MacLafferty (for) with Mr. Crisp (against).
Mr. Newton of Minnesota (for) with Mr. Rayburn (against).
Mr. Vare (for) with Mr. Byrns of Tennessee (against).
Mr. Jost (for) with Mr. Johnson of West Virginia (against).
Mr. Morin (for) with Mr. Free (against).
Mr. Wason (for) with Mr. Croll (against).

Additional general pairs until further notice:

Mr. Reid of Illinois with Mr. Williams of Texas.
Mr. White of Maine with Vinson of Georgia.
Mr. Swoope with Mr. Bankhead.
Mr. Anthony with Mr. Kerr.
Mr. Madden with Mr. Carter.

Mr. Mudd with Mr. Eagan.
 Mr. Dickinson of Iowa with Buchanan.
 Mr. Faust with Mr. Lea of California.
 Mr. Magee of Pennsylvania with Lee of Georgia.
 Mr. Scott with Mr. Garrett of Texas.
 Mr. Sinclair with Howard of Oklahoma.
 Mr. Dyer with Mr. Gilbert.
 Mr. Campbell with Mr. Evans of Montana.
 Mr. Burdick with Mr. Hull of Tennessee.
 Mr. Watson with Johnson of Kentucky.
 Mr. Ward of New York with Mr. Tucker.
 Mr. Beedy with Mr. Rainey.
 Mr. Crowther with Mr. Thomas of Oklahoma.
 Mr. Hersey with Mr. O'Brien.
 Mr. Bacharach with Mr. Pou.
 Mr. Simmons with Mr. Drane.
 Mr. Kelly with Mr. Kunz.
 Mr. Britten with Mr. Lilly.
 Mr. Fredericks with Mr. Huddleston.
 Mr. Hudson with Mr. Sanders of Texas.
 Mr. Kendall with Reed of Arkansas.
 Mr. Fenn with Mr. Tydings.
 Mrs. Nolan with Mr. Buckley.

Mr. DOMINICK. Has the gentleman from Pennsylvania, Mr. PORTER voted?

The SPEAKER. He did not.

Mr. DOMINICK. I wish to withdraw my vote of "no" and answer "present." If Mr. PORTER were present, he would vote "aye" and I would vote "no."

Mr. LA GUARDIA. Did the gentleman from Ohio, Mr. BURTON vote?

The SPEAKER. He did not.

Mr. LA GUARDIA. I withdraw my vote of "no," as I have a pair with the gentleman from Ohio. If he were present, he would vote "aye."

Mr. LEA of California. Mr. Speaker, I desire to vote.

The SPEAKER. Was the gentleman present and listening when his name was called?

Mr. LEA of California. I do not believe I quite reach it.

Mr. CONNERY. Mr. Speaker, my colleague, Mr. TAGUE, was unable to be present and requested me to say that if he were present he would vote aye on the Cape Cod Canal.

The result of the vote was announced as above recorded.

On motion of Mr. WINSLOW, a motion to reconsider the vote by which the bill was passed was laid on the table.

Mr. BLANTON. Mr. Speaker, I insist on a division of the motion.

The SPEAKER. There can be no division of the question to lay the motion on the table.

Mr. BLANTON. The gentleman moved first to reconsider the vote, and I ask for a vote on that.

The SPEAKER. And then moved to lay on the table, and the question comes on the motion to lay on the table.

Mr. BLANTON. Well, I will not insist on it.

INTERIOR DEPARTMENT BILL

Mr. CRAMTON. Mr. Speaker, I present a conference report for printing under the rule.

Mr. BLANTON. I make the point of order there is no quorum present. I withhold it for a moment.

The SPEAKER. The gentleman from Michigan presents a conference report on a bill, the title of which the Clerk will report.

The Clerk read as follows:

A bill (H. R. 5078) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1925.

The SPEAKER. Ordered printed under the rule.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. KVALE, for the balance of the week, on account of important business.

To Mr. DOYLE, for five days, on account of important business.

To Mr. STENGLE, for an indefinite period, beginning May 15, on account of important business.

Mr. RANKIN. Mr. Speaker, I wish to ask for leave of absence of my colleague, Mr. COLLINS, for a couple of days. He is detained unavoidably.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

THE PUBLIC BUILDINGS SITUATION

Mr. BOX. Mr. Speaker, I ask unanimous consent to extend my remarks on the public building situation.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

Mr. BOX. Mr. Speaker and gentlemen of the House, because the Congress and administration do not seem to appreciate the acuteness of the need for the erection of Federal buildings in which to transact public business at many places in the coun-

try outside of the District of Columbia, and because the people of those points do not generally understand why the Government persistently fails to provide these necessary buildings I am occupying this space in the Record for the purpose of making this statement for the information of the House and the people.

There is a continuous, loud clamor in Washington for the spending of additional millions for the construction of a great memorial bridge, many public buildings, and similar improvements in the District of Columbia. There is doubtless need for some additional buildings here which should receive consideration; but the commercial interests of Washington cause much of this noise to be made. They want these vast sums spent here for business reasons. Those who clamor for these buildings in Washington seem to forget the urgent needs of the country while considering the liberal or lavish use of money to adorn the Capital City. Large expenditures by the Government here for Washington improvements will increase business and the price of real estate, but Members of the House and Senate and others who favor such a course need to have their attention recalled to the fact that the Federal funds come from the people of the United States and must be expended for the benefit of every part of the country.

There is now, and for several years has been, an urgent need of courthouse and post-office buildings all over the Nation. No general public buildings bill and no individual bill authorizing the construction of such buildings as these has been enacted since 1913—before the beginning of the World War. Many of the buildings authorized and appropriated for then have not yet been constructed by the Treasury Department, which lets the contracts for the erection of such buildings, supervises their construction, and controls the expenditure of the funds appropriated for that purpose by Congress.

In the second district of Texas, which I have the honor to represent, the need of housing for Government business is distressing. I have three bills providing for such buildings pending before the House Committee on Public Buildings and Grounds. So often and urgently have I pressed upon the chairman and some members of that committee the needs of my people in this respect that I have doubtless made myself troublesome, but the distressing need among my constituents compels me to urge that they be granted relief. I take this method of again calling the attention of each member of that committee to the acute situation at those points in that district.

At Beaumont, a city of some 50,000 people, handling great volumes of all kinds of business, is located an important division of the United States court for the eastern district of Texas, with its retinue of necessary officers. The customs service at that point is extensive and increasing with the great increase of foreign trade passing through that and adjacent ports. The prohibition enforcement officers, internal revenue forces, and other Government agencies all require office and working room at Beaumont. The post-office business and forces have doubled and trebled since the erection of the present building. The city of Beaumont itself has more than doubled in population and made still greater increases in the volume of business handled.

The result has been the piling up of a greatly increased amount of Government business, handled by the several Government agencies mentioned, and others without sufficient room for its handling. At my instance the Chief Architect in the Department of the Treasury, some two or three years ago, sent an expert to survey the housing situation and Government business at Beaumont. After a thorough survey he officially reported that the present building there, even at that time, was not quite half sufficient to meet the requirements. The business has increased since then. The situation now is even worse. The Government is trying to rent space in buildings near by in which to handle Government business. It is bad for the taxpayers and for all concerned for the United States to pay heavy rents and have Government activities scattered here and there with the division, confusion, and inefficiency thereby produced. I have had this bill for the relief of that situation pending through several sessions of Congress and have urged its consideration in every possible way. That bill, with all others introduced by me and every one of my colleagues, has remained on the calendar of the Committee on Public Buildings and Grounds without consideration and, of course, unreported.

The city of Lufkin is thriving and growing and now has more than 5,000 people without a Federal building in which to handle its post office and other Government business. When I became a Member of this House five years ago I introduced a bill for the purchase of a site and the erection of a building at

Lufkin. That, too, has had my diligent attention. Every effort has been made to get the committee and Congress to act favorably on it; yet it, like all of the hundreds of bills introduced by the 435 Members of the House, has remained on the committee calendar, unconsidered and unreported.

Five years ago I introduced a bill for the purchase of a site for a building at Jacksonville, but it has shared the same fate as all the others. During the present Congress, because of the continued growth of Jacksonville and the increasing volume of post-office business handled there, I introduced another bill authorizing both the acquisition of a site and the erection of a building. Notwithstanding every effort, it has remained, like all the others from Texas and every other State, dormant in the Committee on Public Buildings and Grounds.

Every Member of the House and Senate knows, and every citizen should be advised, that no such bill has any chance to be passed through the House and Senate and be approved by the President until it has been considered and favorably reported by the Committee on Public Buildings and Grounds. It is equally well understood by all who are informed that even if it were possible to get a favorable report from the committee on one or two isolated buildings from a single district it would be impossible to even get it up for consideration in the House, where the other 434 Members, all of whom have similar bills, are the judges as to what measures will be considered or passed. They will not tolerate the passage of bills providing for other districts and slighting theirs. I know, and am sure my intelligent constituents know, that a public buildings bill is only possible when it makes sufficient provision for the general needs of the country to command the support of majorities of both Houses and the approval of the President. The most influential Member of the House or Senate is not exempt from this rule. Hon. FREDERICK H. GILLET, the Speaker himself, whose position and power approaches that of the President and Vice President, is not able to avoid the operation of this rule. He has had pending for some years a bill for the relief of an acute situation in the city of Springfield, Mass., but his people have been compelled to wait, just as my people have. No more progress has been made in the consideration of or toward the passage of the Speaker's bill than has been made in the consideration of mine.

Every one of the 18 Members of Congress from Texas, including the 1 Republican, has had the same experience that I and all the other Members of Congress from other States have had.

Since Texas became a State, some 80 years ago, four Federal buildings have been erected within the second Texas congressional district—ours—as the result of the continued and able efforts of a long line of able Representatives, including such men as Reagan, Stuart, Cooper, Brooks, and Dies. The Federal buildings within the second congressional district are located at Beaumont, Port Arthur, Nacogdoches, and Marshall. One was authorized for Orange 11 years ago. It has not yet been erected, but we hope to get it built within the next year. Other Texas districts have not fared better.

The first congressional district of Texas, represented by Hon. EUGENE BLACK, has four Federal buildings. The post-office building at Paris burned in 1916. A one-story post office was constructed on the ruins of the old building and temporarily covered out of funds appropriated in 1917 in the emergency created by the fire. Temporary quarters are rented for the use of the Federal court. No new courthouse or general Federal building has been erected since the fire, because the funds have not been provided.

The third congressional district of Texas, represented by Hon. MORGAN G. SANDERS, has obtained three Federal buildings during the history of the State. Mr. SANDERS has had bills pending for the erection of Federal buildings in six cities in the district, none of which have been reported or passed.

The fourth congressional district of Texas, represented by Hon. SAM RAYBURN, has seven Federal buildings. No new buildings have been authorized during the last 11 years.

The fifth congressional district of Texas, represented by Hon. HATTON W. SUMNERS, has three Federal buildings. Mr. SUMNERS has had bills pending for the erection of a Federal building at Dallas, none of which have been reported or passed since 1913, though the need is said to be great.

The sixth congressional district of Texas, represented by Hon. LUTHER A. JOHNSON, has had bills pending for the erection of Federal buildings in three cities in the district, none of which have been reported or passed.

The seventh congressional district of Texas, represented by Hon. CLAY STONE BRIGGS, has two Federal buildings, located at Galveston and Palestine. Mr. BRIGGS has had bills pending for the erection of Federal buildings in four cities in the district, none of which have been reported or passed.

The eighth congressional district of Texas, represented by Hon. DANIEL E. GARRETT, has four Federal buildings. No new buildings have been authorized for that district in a dozen years, though said to be badly needed.

The ninth congressional district of Texas, represented by Hon. JOSEPH J. MANSFIELD, has five Federal buildings. Mr. MANSFIELD has had bills pending for the erection of Federal buildings in five cities in the district, none of which have been reported or passed.

The tenth congressional district of Texas, represented by Hon. JAMES P. BUCHANAN, has four Federal buildings. Mr. BUCHANAN has had bills pending for the erection of Federal buildings in two cities in the district, none of which have been reported or passed.

The eleventh congressional district of Texas, represented by Hon. TOM CONNALLY, has four Federal buildings. Mr. CONNALLY has had bills pending for the erection of Federal buildings in two cities in the district, none of which have been reported or passed.

The twelfth congressional district of Texas, represented by Hon. FRITZ G. LANHAM, who is the Texas member of the Committee on Public Buildings and Grounds, has three Federal buildings, located at Fort Worth, Weatherford, and Cleburne. Mr. LANHAM has had bills pending for the erection of Federal buildings in three cities in the district, none of which have been reported or passed. The Texas member of this committee knows this general situation well. He has heard so much about the needs of Beaumont, Lufkin, and Jacksonville that he could not forget them if he would. I know he is our friend and will do his utmost to help us.

The thirteenth congressional district of Texas, represented by Hon. GUINN WILLIAMS, has four Federal buildings. Mr. WILLIAMS has had bills pending for the erection of a building at Bowie, which, like the others, has remained unreported and unpassed.

The fourteenth congressional district of Texas, represented by Hon. HARRY M. WURZBACH, the only Texas Republican in Congress, has four Federal buildings. Mr. WURZBACH has had bills pending for the erection of Federal buildings in three cities in the district, none of which have been passed or even reported.

The fifteenth congressional district of Texas, represented by Hon. JOHN N. GARNER, who has served in Congress some 22 years, has four Federal buildings. Mr. GARNER has had bills pending for the erection of Federal buildings in six cities in the district, none of which have been reported or passed since 1913.

The sixteenth congressional district of Texas, represented by Hon. C. B. HUDSPETH, has four Federal buildings. Mr. HUDSPETH has had bills pending for the erection of Federal buildings in three cities in the district, none of which have been passed or reported.

The seventeenth congressional district of Texas, represented by Hon. THOMAS L. BLANTON, has had no bills for the erection of Federal buildings for post offices or courthouses in the district reported or passed since 1913.

The eighteenth congressional district of Texas, represented by Hon. MARVIN JONES, has one Federal building. Mr. JONES has had bills pending for the erection of buildings but has been unable to get any of them passed or reported.

The second congressional district of Texas, which I have the honor to represent, has four Federal buildings, which is a little above the average for Texas congressional districts, and these buildings in our own district and in all the others are not the work of present Congressmen chiefly, but are the result of the efforts of all the above-mentioned men, such as Mills, Coke, Bailey, Reagan, Cooper, the Culbertsons, the Sheppards, the Lanham, and all of the strong men who have represented Texas in the upper and lower Houses during the nearly 80 years of our statehood.

The average length of service of the present Texas delegation in Congress is greater than my own, yet they have not been more fortunate than I have in getting their public buildings' bills passed.

Among the Texas cities now asking and thus far failing to secure Federal buildings are Huntsville, Crockett, Athens, Mineola, Kaufman, Wills Point, Henderson, Kerrville, Gilmer, Pecos, Big Springs, Gatesville, Hamilton, Stephenville, Dublin, Texas City, Mexia, Bryan, Groesbeck, Seguin, Kenedy, Bowie, Lufkin, and Jacksonville. Among the larger cities having older Federal buildings which have been outgrown and are now insufficient, which have asked for enlarged Federal buildings and failed to obtain them, are Beaumont, Fort Worth, Galveston, Dallas, and Houston.

This condition of old, outgrown and overcrowded Federal buildings insufficient to meet present needs and the inability of hundreds of flourishing young cities to obtain any at all extend not only over all Texas but throughout the United States.

All of the Members of this House and of the Senate from all of the States have had the same experience. In hundreds of places the most urgent needs of public buildings have gone unsupplied. I have already referred to the fact that the Speaker of this House has had exactly the same experience met by me and all of my Texas colleagues.

Under the present Budget system the passage of a bill authorizing a public building does not provide the funds necessary. The money must be provided by an additional bill making the appropriation for the building. Even after that is done the immediate erection of the building is not assured. As just stated, we are just now securing the erection of a building at Orange which was authorized and appropriated for 11 years ago. After bills are passed authorizing the erection of buildings and others making appropriations for the purpose, the letting of the contracts and the expenditure of the money is in charge of the Secretary of the Treasury, who acts through the Supervising Architect of the Treasurer's office. That department often waits years before erecting buildings.

There are now scores, possibly hundreds, of buildings authorized and appropriated for 10 or more years ago which remain unconstructed. Doubtless this is caused by the heavy demands made upon the taxpayers by the expenses of the war and in part by the fact that the cost of building has very greatly increased since these bills were passed, so that funds then ample are now insufficient.

Members of this House, the country generally, and my own intelligent constituents particularly, should be frankly told these facts in order that they may know conditions exactly as they are. When many flourishing young cities expect to secure immediate authorizations and appropriations for public buildings and their prompt erection, it is well to remember that Federal buildings are nothing like as numerous as is generally understood, and that in the whole history of Texas, covering 80 years, the second district of Texas, an older section of the State and having at least its average share of these buildings, has been able to secure only four within 75 or 80 years, through the efforts of my numerous and able predecessors. Public buildings are not nearly so easily secured as is commonly supposed. I sincerely regret that I am not able to assure my constituents that my public buildings bills for their relief will be immediately passed and approved by the President and thereafter appropriations made and thereafter contracts for the erection of the buildings promptly let.

I am doing my utmost to present their claims, and I hope for success, but I can not truthfully say that relief is sure to come at once. However, my colleagues of the Committee on Public Buildings and Grounds, and particularly the Texas member, Hon. FRITZ G. LANHAM, and the chairman, know with what diligence I have presented this need of the flourishing and ambitious young cities of my district which really need these buildings for the transaction of Government business. It is to be hoped that the condition of the Public Treasury will be such, and the views of the House organization and administration and majorities in both Houses of Congress will be such, that substantial progress can soon be made. This line of improvement has been falling further and further behind and the need becoming more and more acute. It will take the Government years to catch up with its building program, and the sooner it takes it up again the better it will be for the branches of the Government service and the needy communities involved.

I make this statement through the columns of the CONGRESSIONAL RECORD in an effort to impress upon both branches of Congress and all concerned in the administration of the Government with the urgent need not only of my constituents, which to me are special, but the whole country, and to advise my constituents and all others who read this part of the record of the situation as it is.

ADJOURNMENT

Mr. WINSLOW. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 35 minutes p. m.) the House adjourned until to-morrow, Wednesday, May 14, 1924, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

472. A communication from the President of the United States, transmitting a communication from the Secretary of the

Navy, submitting an estimate of appropriation in the sum of \$24,333.16, to pay 19 claims for damages for which Navy vessels were found to be responsible, which have been adjusted and which require an appropriation for their payment (H. Doc. No. 274); to the Committee on Appropriations and ordered to be printed.

473. A communication from the President of the United States, transmitting two communications from the Secretary of the Navy, submitting an estimate of appropriation in the sum of \$3,115.03, to pay 13 claims, which he has adjusted and which require an appropriation for their payment (H. Doc. No. 275); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. MILLER of Washington: Committee on Naval Affairs. H. R. 8263. A bill to authorize the accounting officers of the Treasury to pay to certain supply officers of the regular Navy and Naval Reserve Force the pay and allowances of their ranks for services performed prior to the approval of their bonds; without amendment (Rept. No. 717). Referred to the Committee of the Whole House on the state of the Union.

Mr. MADDEN: Committee on Appropriations. H. R. 9192. A bill making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1924, and for other purposes; without amendment (Rept. No. 718). Referred to the Committee of the Whole House on the state of the Union.

Mr. WHITE of Maine: Committee on the Merchant Marine and Fisheries. S. 2930. An act reaffirming the use of the ether for radio communication or otherwise to be the inalienable possession of the people of the United States and their Government, and for other purposes; with an amendment (Rept. No. 719). Referred to the Committee of the Whole House on the state of the Union.

Mr. HILL of Maryland: Committee on Military Affairs. H. R. 5261. A bill to repeal and reenact chapter 100, 1914, Public, No. 108, to provide for the restoration of Fort McHenry, in the State of Maryland, and its permanent preservation as a national park and perpetual national memorial shrine as the birthplace of the immortal "Star Spangled Banner," written by Francis Scott Key, for the appropriation of the necessary funds, and for other purposes; with amendments (Rept. No. 720). Referred to the Committee of the Whole House on the state of the Union.

Mr. CABLE: Committee on Election of President, Vice President, and Representatives in Congress. H. R. 8956. A bill to prevent corrupt practices in congressional elections; with amendments (Rept. No. 721). Referred to the House Calendar.

Mr. ELLIOTT: Committee on Elections No. 3. A report in the contested-election case of Gorman v. Buckley (Rept. No. 722). Referred to the House Calendar.

Mr. McSWAIN: Committee on Military Affairs. S. 1557. An act to give military status and discharges to the members of the Russian Railway Service Corps organized by the War Department under authority of the President of the United States for service during the war with Germany; with amendments (Rept. No. 727). Referred to the Committee of the Whole House on the state of the Union.

Mr. SINNOTT: Committee on the Public Lands. H. R. 6651. A bill to add certain lands to the Umatilla, Wallowa, and Whitman National Forests, in Oregon; with an amendment (Rept. No. 728). Referred to the Committee of the Whole House on the state of the Union.

Mr. LaGUARDIA: Committee on the Post Office and Post Roads. H. R. 6942. A bill establishing transmission and carrying of mail by airplanes and flying machines; with amendments (Rept. No. 729). Referred to the Committee of the Whole House on the state of the Union.

Mr. LaGUARDIA: Committee on the Post Office and Post Roads. H. R. 7064. A bill to encourage commercial aviation and to authorize the Postmaster General to contract for Air Mail Service; without amendment (Rept. No. 730). Referred to the Committee of the Whole House on the state of the Union.

Mr. FAIRCHILD: Committee on Foreign Affairs. H. R. 7558. A bill to authorize the payment of an indemnity to the Government of Norway on account of losses sustained by the owners of the Norwegian steamship *Hassel* as the result of a collision between that steamship and the American steamship *Asable*; with an amendment (Rept. No. 731). Referred to the Committee of the Whole House on the state of the Union.

Mr. REED of New York: Committee on Industrial Arts and Expositions. H. J. Res. 199. A joint resolution authorizing

an appropriation for the participation of the United States in the preparation and completion of plans for the comprehensive observance of that greatest of all historic events, the bicentennial of the birthday of George Washington; with amendments (Rept. No. 732). Referred to the Committee of the Whole House on the state of the Union.

Mr. LEAVITT: Committee on the Public Lands. H. J. Res. 210. A joint resolution for the relief of delinquent homesteaders on the Fort Assiniboine abandoned military reservation; without amendment (Rept. No. 734). Referred to the Committee of the Whole House on the state of the Union.

Mr. HOCH: Committee on Interstate and Foreign Commerce. H. J. Res. 141. A joint resolution directing the Interstate Commerce Commission to take action relative to adjustments in the rate structure of common carriers subject to the interstate commerce act and the fixing of rates and charges; without amendment (Rept. No. 735). Referred to the Committee of the Whole House on the state of the Union.

Mr. WYANT: Committee on Interstate and Foreign Commerce. H. R. 9176. A bill granting the consent of Congress to the counties of Marion and Florence, in the State of South Carolina, to construct a bridge across the Pee Dee River at or near Allison's Ferry, S. C.; with an amendment (Rept. No. 736). Referred to the House Calendar.

Mr. WILLIAMS of Michigan: Committee on the Public Lands. H. R. 7144. A bill to relinquish to the city of Battle Creek, Mich., all right, title, and interest of the United States in two unsurveyed islands in the Kalamazoo River within the corporate limits of said city; with amendments (Rept. No. 738). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII.

Mr. HILL of Maryland: Committee on Military Affairs. H. R. 3388. A bill to place the name of Paul Crum on the muster rolls of Company E, First Regiment Nebraska Infantry, United States Volunteers; with an amendment (Rept. No. 723). Referred to the Committee of the Whole House.

Mr. HILL of Maryland: Committee on Military Affairs. H. R. 6554. A bill to correct the military record of Harry D. Rayburn; without amendment (Rept. No. 724). Referred to the Committee of the Whole House.

Mr. HILL of Maryland: Committee on Military Affairs. H. R. 7508. A bill for the relief of Ramon B. Harrison; with an amendment (Rept. No. 725). Referred to the Committee of the Whole House.

Mr. COLE of Iowa: Committee on Foreign Affairs. H. J. Res. 249. A joint resolution to authorize certain officers of the United States Marine Corps to accept from the Republic of Haiti "The medal for distinguished service"; without amendment (Rept. No. 726). Referred to the Committee of the Whole House.

Mr. CELLER: Committee on Claims. H. R. 5759. A bill for the relief of James F. Abbott; with an amendment (Rept. No. 733). Referred to the Committee of the Whole House.

Mr. WILLIAMS of Michigan: Committee on the Public Lands. H. R. 8226. A bill granting a patent to the First State Savings Bank of Gladwin, Mich.; with amendments (Rept. No. 739). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of Rule XXII, the Committee on War Claims was discharged from the consideration of the bill (H. R. 8326) to confer jurisdiction upon the Court of Claims to hear and determine the claim of the lawful heirs of Matilda Picotte, and the same was referred to the Committee on Indian Affairs.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. MADDEN: A bill (H. R. 9192) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1924, and for other purposes; committed to the Committee of the Whole House on the state of the Union.

By Mr. HUDSPETH: A bill (H. R. 9193) to establish a national park in the State of Texas; to the Committee on the Public Lands.

By Mr. LILLY: A bill (H. R. 9194) to increase the limit of cost of the public building at Williamson, W. Va., and for other purposes; to the Committee on Public Buildings and Grounds.

By Mr. TABER: A bill (H. R. 9195) to prevent the shipment of impure coal between the States, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. WAINWRIGHT: A bill (H. R. 9196) to authorize an appropriation to enable the Director of the United States Veterans' Bureau to provide a permanent national training school for the blind; to the Committee on World War Veterans' Legislation.

By Mr. RATHBONE: A bill (H. R. 9197) for the purchase of a site for a Federal building at Roodhouse, Ill.; to the Committee on Public Buildings and Grounds.

By Mr. ANDREW: A bill (H. R. 9198) providing for the conveyance to the city of Gloucester, in the State of Massachusetts, of property known as Old Fort Defiance; to the Committee on Military Affairs.

By Mr. WILSON of Louisiana: A bill (H. R. 9199) to prevent the pollution by oil of navigable rivers of the United States; to the Committee on Rivers and Harbors.

By Mr. CRAMTON: Joint resolution (H. J. Res. 264) authorizing the restoration of the Lee Mansion in the Arlington National Cemetery, Va.; to the Committee on the Library.

By Mr. O'CONNOR of New York: Resolution (H. Res. 310) providing for the appointment of a committee of Members of the House of Representatives to investigate the matter of telephone rates and service in the United States and in particular the relationship between the American Telephone & Telegraph Co. and its subsidiaries; to the Committee on Rules.

By Mr. WHITE of Maine: Resolution (H. Res. 311) providing for the consideration of S. 2930, a bill reaffirming the use of the ether for radio communication or otherwise to be the inalienable possession of the people of the United States and their Government, and for other purposes; to the Committee on Rules.

By Mr. GRAHAM of Pennsylvania: Resolution (H. Res. 312) for the consideration of H. R. 7650, a bill to amend the Judicial Code; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANDREW: A bill (H. R. 9200) granting a pension to Lillian Skidmore; to the Committee on Invalid Pensions.

By Mr. BROWNE of New Jersey: A bill (H. R. 9201) for the relief of Frederick MacMonnies; to the Committee on Claims.

By Mr. CELLER: A bill (H. R. 9202) for the relief of Herman Lincoln Chatkoff; to the Committee on Military Affairs.

By Mr. DOUGHTON: A bill (H. R. 9203) granting a pension to Letcher Caudill; to the Committee on Pensions.

By Mr. DREWRY: A bill (H. R. 9204) granting six months' pay to Constance D. Lathrop; to the Committee on Naval Affairs.

By Mr. FRENCH: A bill (H. R. 9205) granting an increase of pension to James Fogle, jr.; to the Committee on Invalid Pensions.

By Mr. GERAN: A bill (H. R. 9206) to renew and extend certain letters patent to John V. Rice, jr.; to the Committee on Patents.

By Mr. GREENWOOD: A bill (H. R. 9207) granting an increase of pension to William A. Daniels; to the Committee on Pensions.

By Mr. KETCHAM: A bill (H. R. 9208) granting a pension to Linna L. White; to the Committee on Pensions.

By Mr. LEAVITT: A bill (H. R. 9209) for the relief of George A. Robertson; to the Committee on Claims.

By Mr. NELSON of Maine: A bill (H. R. 9210) granting a pension to Eva M. Roberts; to the Committee on Invalid Pensions.

By Mr. PARKER: A bill (H. R. 9211) granting a pension to Julia L. Hawkins; to the Committee on Invalid Pensions.

By Mr. RATHBONE: A bill (H. R. 9212) granting a pension to Leamon Bunch; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9213) granting a pension to Mary Jane Howes; to the Committee on Invalid Pensions.

By Mr. STEPHENS: A bill (H. R. 9214) granting a pension to Eugene C. Dempsey; to the Committee on Pensions.

Also, a bill (H. R. 9215) granting a pension to Katherine D. White; to the Committee on Invalid Pensions.

By Mr. TABER: A bill (H. R. 9216) granting a pension to Mrs. Ira Dibble; to the Committee on Invalid Pensions.

By Mr. UNDERWOOD: A bill (H. R. 9217) granting a pension to Mary E. Adams; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9218) granting a pension to Matilda Higgins; to the Committee on Invalid Pensions.

By Mr. WARD of New York: A bill (H. R. 9219) granting a pension to James O. Dunnagan; to the Committee on Invalid Pensions.

By Mr. ZIHLMAN: A bill (H. R. 9220) granting a pension to Mary Virginia Reed; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2743. By the SPEAKER (by request): Petition of members of the Centerville Grange, Klickitat County, Wash., favoring the McNary-Haugen bill; to the Committee on Agriculture.

2744. By Mr. BARBOUR: Petition signed by residents of Tulare County, Wash., protesting against any amendment of the national prohibition act; to the Committee on the Judiciary.

2745. By Mr. CELLER: Petition of the American Legion, Sergeant Jasper Post No. 13, Washington, D. C., favoring a joint resolution proposing the adoption of the Star-Spangled Banner as the national anthem; to the Committee on the Judiciary.

2746. By Mr. GALLIVAN: Petition of Maj. M. J. O'Connor Camp, No. 4, United Spanish War Veterans, South Boston, Mass., urging passage of the Bursum pension bill over the President's veto; to the Committee on Pensions.

2747. Also, petition of postal employees, Boston, Mass., urging early and favorable action on House bill 9035; to the Committee on Rules.

2748. By Mr. MADDEN: Petition of citizens of the city of Chicago, Ill., favoring legislation that will permit the withdrawal from Lake Michigan by the Sanitary District of Chicago of 10,000 cubic feet of water per second; to the Committee on Rivers and Harbors.

2749. By Mr. RAKER: Fifty-seven letters from Tacoma, Wash., in re changing name of Mount Rainier to Mount Tacoma; to the Committee on the Public Lands.

2750. Also, petitions of San Francisco Press Club; Rapid Blue Print Co., Los Angeles, Calif.; Edison Electric Appliance Co., Ontario, Calif., and Leon Israel & Bros. (Inc.), San Francisco, Calif., in re San Carlos dam bill; to the Committee on Indian Affairs.